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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	United States Fire Insurance Company
<b>TOI/Sub-TOI:</b>	28.1 Credit-Credit Default/28.1000 Credit-Credit Default		
<b>Product Name:</b>	Trade Credit		
<b>Project Name/Number:</b>	Trade Credit/CF-TC-20-001		

## Filing at a Glance

Company:	United States Fire Insurance Company
Product Name:	Trade Credit
State:	District of Columbia
TOI:	28.1 Credit-Credit Default
Sub-TOI:	28.1000 Credit-Credit Default
Filing Type:	Credit
Date Submitted:	01/10/2020
SERFF Tr Num:	CRUM-132217216
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	CF-TC-20-001-F
Effective Date	On Approval
Requested (New):	
Effective Date	On Approval
Requested (Renewal):	
Author(s):	Wesley Pohler
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	United States Fire Insurance Company
<b>TOI/Sub-TOI:</b>	28.1 Credit-Credit Default/28.1000 Credit-Credit Default		
<b>Product Name:</b>	Trade Credit		
<b>Project Name/Number:</b>	Trade Credit/CF-TC-20-001		

## General Information

Project Name: Trade Credit	Status of Filing in Domicile: Pending
Project Number: CF-TC-20-001	Domicile Status Comments: Pending in Delaware.
Reference Organization: N/A	Reference Number: N/A
Reference Title: N/A	Advisory Org. Circular: N/A
Filing Status Changed: 01/10/2020	
State Status Changed:	Deemer Date:
Created By: Wesley Pohler	Submitted By: Wesley Pohler
Corresponding Filing Tracking Number:	

### Filing Description:

United States Fire Insurance Company ("USF") is submitting its initial Trade Credit filing for your review and approval. A letter permitting Westmont Associates, Inc. to file on USF's behalf is enclosed.

The intent of this submission is to introduce USF's new independent forms for its new Trade Credit Program.

The rates and rules to be used with the enclosed forms have been submitted under separate cover as Company filing number CF-TC-20-001-R.

If you have any questions regarding this submission, please do not hesitate to contact me at (856) 216-0220. Thank you for your attention to this matter.

## Company and Contact

### Filing Contact Information

Francois Duris, 1763 Marlton Pike East, Suite 200 Cherry Hill, NJ 08003	francois@westmontlaw.com 856-216-0220 [Phone] 211 [Ext]
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### Filing Company Information

United States Fire Insurance Company 305 MADISON AVENUE MORRISTOWN, NJ 07962 (973) 490-6600 ext. [Phone]	CoCode: 21113 Group Code: 158 Group Name: FEIN Number: 13-5459190	State of Domicile: Delaware Company Type: State ID Number:
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## Filing Fees

Fee Required?	No
Retaliatory?	No
Fee Explanation:	

<b>SERFF Tracking #:</b>	CRUM-132217216	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	CF-TC-20-001-F
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	United States Fire Insurance Company		
<b>TOI/Sub-TOI:</b>	28.1 Credit-Credit Default/28.1000 Credit-Credit Default				
<b>Product Name:</b>	Trade Credit				
<b>Project Name/Number:</b>	Trade Credit/CF-TC-20-001				

## Correspondence Summary

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	EXHIBIT A FORM OF PROOF OF LOSS	Wesley Pohler	01/21/2020	01/21/2020
Form	EXHIBIT A - SCHEDULE 1	Wesley Pohler	01/21/2020	01/21/2020
Form	EXHIBIT A - SCHEDULE 2	Wesley Pohler	01/21/2020	01/21/2020
Form	EXHIBIT A - SCHEDULE 3	Wesley Pohler	01/21/2020	01/21/2020

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**SERFF Tracking #:**

CRUM-132217216

**State Tracking #:****Company Tracking #:**CF-TC-20-001-F

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**State:**

District of Columbia

**Filing Company:**

United States Fire Insurance Company

**TOI/Sub-TOI:**

28.1 Credit-Credit Default/28.1000 Credit-Credit Default

**Product Name:**

Trade Credit

**Project Name/Number:**

Trade Credit/CF-TC-20-001

## Amendment Letter

Submitted Date:

01/21/2020

Comments:

Good afternoon,

Thank you for your review of the enclosed filing materials. Upon further review, a typographical error was noticed in the attached forms. We are submitting the updated forms with this amendment.

Please let us know if there are any questions.

Thank you,

Erin

Changed Items:

State: District of Columbia

Filing Company:

United States Fire Insurance Company

TOI/Sub-TOI: 28.1 Credit-Credit Default/28.1000 Credit-Credit Default

Product Name: Trade Credit

Project Name/Number: Trade Credit/CF-TC-20-001

## Form Schedule Item Changes

Item No.	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	EXHIBIT A FORM OF PROOF OF LOSS	TC 06 006	01 20	OTH	New			EXHIBIT A - FORM OF PROOF OF LOSS (1)-RTW comments 1420 (1.9.2020 - EB Edits).pdf	Date Submitted: 01/21/2020 By:
<i>Previous Version</i>									
1	EXHIBIT A FORM OF PROOF OF LOSS	TC 06 001	01 20	OTH	New			EXHIBIT A - FORM OF PROOF OF LOSS (1)-RTW comments 1420 (1.9.2020 - EB Edits).pdf	Date Submitted: 01/10/2020 By: Wesley Pohler
2	EXHIBIT A - SCHEDULE 1	TC 06 007	01 20	OTH	New			EXHIBIT A - SCHEDULE 1.pdf	Date Submitted: 01/21/2020 By:
<i>Previous Version</i>									
2	EXHIBIT A - SCHEDULE 1	TC 06 002	01 20	OTH	New			EXHIBIT A - SCHEDULE 1.pdf	Date Submitted: 01/10/2020 By: Wesley Pohler
3	EXHIBIT A - SCHEDULE 2	TC 06 008	01 20	OTH	New			EXHIBIT A - SCHEDULE 2.pdf	Date Submitted: 01/21/2020 By:
<i>Previous Version</i>									
3	EXHIBIT A - SCHEDULE 2	TC 06 003	01 20	OTH	New			EXHIBIT A - SCHEDULE 2.pdf	Date Submitted: 01/10/2020 By: Wesley Pohler
4	EXHIBIT A - SCHEDULE 3	TC 06 009	01 20	OTH	New			EXHIBIT A - SCHEDULE 3.pdf	Date Submitted: 01/21/2020 By:
<i>Previous Version</i>									
4	EXHIBIT A - SCHEDULE 3	TC 06 004	01 20	OTH	New			EXHIBIT A - SCHEDULE	Date Submitted: 01/10/2020

State:	District of Columbia	Filing Company:	United States Fire Insurance Company
TOI/Sub-TOI:	28.1 Credit-Credit Default/28.1000 Credit-Credit Default		
Product Name:	Trade Credit		
Project Name/Number:	Trade Credit/CF-TC-20-001		

Form Schedule Item Changes									
Item No.	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
								3.pdf	By: Wesley Pohler

No Rate Schedule Items Changed.

No Supporting Documents Changed.

State: District of Columbia

Filing Company:

United States Fire Insurance Company

TOI/Sub-TOI: 28.1 Credit-Credit Default/28.1000 Credit-Credit Default

Product Name: Trade Credit

Project Name/Number: Trade Credit/CF-TC-20-001

## Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		TRADE CREDIT INSURANCE AGREEMENT FORM (THE "AGREEMENT")	TC 00 001	01 20	PCF	New			TC policy wording Nexus 21 Nov 2019 - FINAL-RTW revision (1.9.2020-EB Edits).pdf
2		Trade Credit Insurance Application	TC 16 001	01 20	ABE	New			1 - Trade Credit Insurance Application 12 Nov 2019 - FINAL (1.9.2020 - EB Edits).pdf
3		Trade Credit Insurance Renewal Application	TC 16 002	01 20	ABE	New			3 - Trade Credit Insurance Renewal Application 12 Nov 2019 - FINAL.pdf
4		Credit and Collections Questionnaire	TC 16 003	01 20	OTH	New			5 - Credit and Collections Questionnaire - 12 Nov 2019 - FINAL.pdf
5		Appendix B (Policy Number, Insured) – Credit Limits as at [enter date]	TC 06 001	01 20	OTH	New			7 - Appendix B - Credit Limits - 11 Nov 2019 - FINAL.pdf
6		Appendix A (Policy Number, Insured) – Country Limits as at [enter date]	TC 06 002	01 20	OTH	New			8 - Appendix A - Country Limits - 11 Nov 2019 - FINAL.pdf
7		Appendix C (Policy Number, Insured) – Third Countries as at [enter date]	TC 06 003	01 20	OTH	New			9 - Appendix C - Third Countries - 11 Nov 2019 - FINAL.pdf

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Company Tracking #:

CF-TC-20-001-F

State: District of Columbia

Filing Company:

United States Fire Insurance Company

TOI/Sub-TOI: 28.1 Credit-Credit Default/28.1000 Credit-Credit Default

Product Name: Trade Credit

Project Name/Number: Trade Credit/CF-TC-20-001

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
8		Credit Limit	TC 06 004	01 20	DEC	New			11 - Credit Limit Decision Output Template - Buyer Underwriting System CAM - updated 7 Jan 2020.pdf
9		Endorsement [] – Adjustment Premium – Average Outstanding Exposure	TC 12 001	01 20	END	New			13 - Endorsement - Adjustment Premium - Average Outstanding Balance - 21 Nov 2019 - FINAL (1).pdf
10		Endorsement [] – Adjustment Premium – Annual Sales	TC 12 002	01 20	END	New			14 - Endorsement - ADJUSTMENT PREMIUM Annual Sales 18 Nov 2019 - FINAL.pdf
11		Endorsement [] – Trade Financier	TC 20 001	01 20	END	New			18 - Endorsement-Trade Financier- 21 Nov 2019 - FINAL-RTW edits 122319.pdf
12		Endorsement [] – Additional Named Insured	TC 20 002	01 20	END	New			23 - Endorsement - Additional Named Insured - 15 Nov 2019 - FINAL.pdf
13		Endorsement [] – Notice of Non-Renewal or Conditional Renewal	TC 02 001	01 20	END	New			25 - Endorsement Notice of Non-Renewal or Conditional Renewal 9 Nov 2019 - FINAL.pdf



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CRUM-132217216

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Company Tracking #:

CF-TC-20-001-F

State:

District of Columbia

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United States Fire Insurance Company

TOI/Sub-TOI:

28.1 Credit-Credit Default/28.1000 Credit-Credit Default

Product Name:

Trade Credit

Project Name/Number:

Trade Credit/CF-TC-20-001

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
14		Endorsement [] – Preferential Payment Coverage	TC 04 001	01 20	END	New			28 - Endorsement - Preference Payments- 21 Nov 19-FINAL (1.8.2020 - EB Edits).pdf
15		Endorsement [] – No Claims Bonus	TC 99 001	01 20	END	New			32 - Endorsement-No Claim Bonus 12 Nov 2019 - FINAL.pdf
16		Endorsement [] – Addition of Subsidiary Companies to the Policy	TC 04 002	01 20	END	New			44 - Endorsement - Addition of Subsidiary Companies to the Policy - FINAL (1.8.2020 - EB Edits).pdf
17		Endorsement [] – Financial Interest Subsidiary Companies	TC 04 003	01 20	END	New			45 - Endorsement-Financial Interest Subsidiary Companies-18 Nov 2019 - FINAL-RTW edit.pdf
18		Endorsement [] – Loss Payee	TC 12 003	01 20	END	New			46 - Endorsement Loss Payee - 15 Nov 2019 - FINAL-RTW edit 12219.pdf
19		Endorsement [] – Discretionary Credit Limit – Credit Procedures	TC 04 004	01 20	END	New			48 - Discretionary Credit Limit Endorsement-Credit Procedures- 11 Nov 2019 - FINAL.pdf

SERFF Tracking #:

CRUM-132217216

State Tracking #:

Company Tracking #:

CF-TC-20-001-F

State:

District of Columbia

Filing Company:

United States Fire Insurance Company

TOI/Sub-TOI:

28.1 Credit-Credit Default/28.1000 Credit-Credit Default

Product Name:

Trade Credit

Project Name/Number:

Trade Credit/CF-TC-20-001

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
20		Endorsement [] – Discretionary Credit Limit – Option A	TC 04 005	01 20	END	New			49 - Discretionary Credit Limit Endorsement Option A - 18 Nov 2019 - FINAL.pdf
21		Endorsement [] – On Issue Cover	TC 04 006	01 20	END	New			54 - Endorsement-On Issue Cover- 18 Nov 2019 - FINAL.pdf
22		Endorsement [] – Hold Cover	TC 06 005	01 20	END	New			59 - Hold Cover Endorsement-15 Nov 2019 - FINAL.pdf
23		Endorsement [] – Discretionary Credit Limit Endorsement – Option B	TC 04 007	01 20	END	New			62 - Endorsement - DCL III - 19 Nov 2019 (1.8.2020 - EB Edits).pdf
24		Endorsement [] – Discretionary Credit Limit Endorsement – Option C	TC 04 008	01 20	END	New			63 - Endorsement - DCL IV - 19 Nov 2019.pdf
25		Endorsement [] – Credit limit Established As A First Limit	TC 25 002	01 20	END	New			64 - Endorsement First Limit draft 21 Nov 2019 (3)- clean final (1.9.2020 - EB Edits).pdf
26		Trade Credit Policy Declarations	TC 05 001	01 20	DEC	New			TC 05 001 11 19 Trade Credit Policy Declarations - initial - 11 Nov 2019 - FINAL - 8 Jan 2020.pdf

State: District of Columbia  
 TOI/Sub-TOI: 28.1 Credit-Credit Default/28.1000 Credit-Credit Default  
 Product Name: Trade Credit  
 Project Name/Number: Trade Credit/CF-TC-20-001

Filing Company: United States Fire Insurance Company

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
27		Trade Credit Policy Declarations	TC 05 002	01 20	DEC	New			TC 05 002 11 19 Trade Credit Policy Declarations - during term - FINAL (1.8.2020 - EB Edits).pdf
28		EXHIBIT A FORM OF PROOF OF LOSS	TC 06 006	01 20	OTH	New			EXHIBIT A - FORM OF PROOF OF LOSS (1)-RTW comments 1420 (1.9.2020 - EB Edits).pdf
29		EXHIBIT A - SCHEDULE 1	TC 06 007	01 20	OTH	New			EXHIBIT A - SCHEDULE 1.pdf
30		EXHIBIT A - SCHEDULE 2	TC 06 008	01 20	OTH	New			EXHIBIT A - SCHEDULE 2.pdf
31		EXHIBIT A - SCHEDULE 3	TC 06 009	01 20	OTH	New			EXHIBIT A - SCHEDULE 3.pdf
32		District of Columbia AMENDATORY ENDORSEMENT	TC 01 005	01 20	END	New			DC-Final.pdf

**Form Type Legend:**

<b>ABE</b>	Application/Binder/Enrollment	<b>ADV</b>	Advertising
<b>BND</b>	Bond	<b>CER</b>	Certificate
<b>CNR</b>	Canc/NonRen Notice	<b>DEC</b>	Declarations/Schedule
<b>DSC</b>	Disclosure/Notice	<b>END</b>	Endorsement/Amendment/Conditions
<b>ERS</b>	Election/Rejection/Supplemental Applications	<b>OTH</b>	Other



**CRUM & FORSTER®**  
A FAIRFAX COMPANY



## TRADE CREDIT INSURANCE AGREEMENT FORM (THE "AGREEMENT")

In consideration of the payment of premiums and in reliance upon the Trade Credit Insurance Application ("**Application**"), as well as the information provided (specifically including but not limited to the information provided in the **Credit and Collections Questionnaire**) and statements made by the **Insured** to the **Underwriter** and **Company**, and subject to the **Declarations** and **Endorsement(s)** made a part hereof, and the terms, conditions and limitations set forth in this **Agreement** (together the **Application**, **Declarations**, **Endorsement(s)**, **Agreement** and Exhibits constitute the "**Policy**"), the **Insured** and **Underwriter** agree as follows:

### SECTION 1. SCOPE OF COVERAGE

Subject to the exclusions, terms and conditions set forth in this **Policy**, the **Underwriter** shall be liable, and shall pay a **Compensation Amount** to the **Insured** for a **Loss**. For the avoidance of doubt, any reference to the "Company" hereunder shall be limited to its capacity to act as the authorized managing general agent of the **Underwriter** with authority to administer the **Policy** on its behalf and, under no circumstances, shall the **Company** share in or otherwise be liable to the **Insured** for any compensable **Loss** amount(s) arising hereunder at any time, the **Insured's** sole recourse for any such **Loss** amount(s) being the **Underwriter**.

### SECTION 2. DEFINITIONS

Capitalized terms not otherwise defined herein, the **Declarations** or any **Endorsement(s)** attaching hereto shall have the following meanings when used in this **Policy**:

- 2.1 **Application** means the **Insured's** Application for Trade Credit Insurance submitted to the **Company**, along with all supporting documentation, prior to inception of the **Policy Period**.
- 2.2 **Additional Named Insured** means an entity/entities that the **Insured** controls (meaning the **Insured** owns fifty percent (50%) or more of the ownership interests or has powers of attorney to act on behalf of the entity), which the **Insured** has requested be added to the **Policy** during the **Policy Period** and identified in the **Declarations**. All **Additional Named Insureds** together with the **Insured** must adhere to all the terms of the **Policy** and shall be treated under this **Policy** as a single party. Breaches of representations and agreements and/or other terms of the **Policy** by one entity shall be considered breaches by all. Any limits in this **Policy** apply to the **Insured** and all **Additional Named Insureds** in the aggregate and not to each individually. Any claims settlement, compromise agreement or arbitration award under this **Policy** shall bind the **Insured** and all **Additional Named Insureds**.
- 2.3 **Annual Aggregate Deductible** means the amount of **Loss** in respect of **Shipment(s)** made during the **Policy Period** that the **Insured** shall bear for its own account before the **Underwriter** shall make payment under this **Policy**. Any **Recoveries** in respect of any **Loss** borne by the **Insured** under the **Annual Aggregate Deductible** shall reinstate the latter by the same amount of such **Recoveries**.
- 2.4 **Buyer** means a duly organized and legally existing corporation, proprietorship or partnership. For the avoidance of doubt, the receiver, trustee, liquidator, custodian or similar representative of any such **Buyer** or the **Buyer** as debtor in possession under Chapter 11 of Title 11 of the United States Code or any similar statute in another country, hereinafter "debtor in possession"; or all corporations and other entities controlling, controlled by, or under common control (meaning directly or indirectly owns more than fifty percent (50%) of the voting share capital, or effective



management control) with the **Buyer**; or any successor to such **Buyer** shall be considered the same entity. Claim means the **Insured's** executed **Proof of Loss** in the form of Exhibit A attached hereto requesting payment of a **Compensation Amount** together with all necessary additional information verifying the **Insured's** compliance with all **Policy** requirements and the calculation of the **Compensation Amount**. When calculating a **Loss**, the amount of **Loss** included shall not exceed the **Credit Limit** for the **Buyer**.

- 2.4 **Compensation Amount** means the amount payable to the **Insured** for a **Loss**.
- 2.5 **Company** means Nexus Specialty Inc.; Nexus Specialty Inc. is the authorized managing general agent of the **Underwriter**.
- 2.6 **Contract Currency** means the currency in which the **Buyer** is obligated to pay the **Insured** under specific terms and conditions set forth in applicable **Insured Contract(s)**.
- 2.7 **Country Limit** means the amount(s) of the **Underwriter's** limit of liability for a particular country as specified in Appendix A hereto.
- 2.8 **Credit and Collections Questionnaire** means, where applicable, the **Insured's** Credit and Collections Questionnaire setting forth the **Insured's** credit risk policies and procedures in respect of extensions of trade credit generally and which shall have been submitted to the **Company** prior to inception of the **Policy Period**.
- 2.9 **Credit Limit** means the limit specified in Appendix B of the **Declarations** to this **Policy** for a **Buyer** or where no such limit has been established, the **Discretionary Credit Limit** set by the **Insured** in accordance with the **Discretionary Credit Limit Endorsement**.
- 2.10 **Credit Procedures** shall mean those certain procedures setting forth the basis on which the **Insured** extends credit to any **Buyer** and which shall be the basis on which such decisions shall be made in connection with any **Buyer** insured hereunder; where applicable, a copy of the **Credit Procedures** shall have been provided to the **Company** on or before the inception of the **Policy Period**.
- 2.11 **Discretionary Credit Limit** means the amount(s) set by the **Insured** in accordance with the terms of the **Discretionary Credit Limit Endorsement** attaching to the **Policy**, such amount not being greater than the amount specified in the **Declarations** to this **Policy** which is the maximum credit limit the **Insured** may establish for a **Buyer** without a **Company** approved **Endorsement** to this **Policy**.
- 2.12 **Discretionary Credit Limit Endorsement** means the **Endorsement** attaching to this **Policy** setting forth the procedures by which the **Insured** can establish a **Discretionary Credit Limit**.
- 2.13 **Dispute** means any **Buyer** statement asserting that any of its payment obligations under its **Insured Contract(s)** with the **Insured** are invalid, offset or otherwise diminished.
- 2.14 **Due Date** means the date on which a **Buyer** payment is due to the **Insured** as specified in an **Insured Contract(s)**.
- 2.15 **Endorsement** means any fully executed written amendment to the terms of the **Policy**.
- 2.16 **Insolvent/Insolvency**: means the occurrence of any of the following events: (1) a voluntary or involuntary petition for relief under the applicable chapter of Title 11 of the United States Code, or



any similar statute in another country relating to the relief of debtors, has been filed by or against a **Buyer**, or a receiver, trustee, liquidator, custodian or similar representative has been appointed for a **Buyer**, or a court having jurisdiction has taken an equivalent action against a **Buyer**; (2) a **Buyer** has made a valid assignment, composition or similar arrangement for the benefit of its creditors generally; (3) a judicial order has been entered against a **Buyer** for the winding up or dissolution of the **Buyer**; (4) the appointment of a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer (in each case, whether out of court or otherwise) in respect of the entity or any of its assets; (5) the Board of Directors (or comparable governing body) of a **Buyer** has passed a resolution authorizing the voluntary winding-up or dissolution of the **Buyer**; or (6) a compromise arrangement of a **Buyer's** debts has been made binding on all, or substantially all, of the **Buyer's** trade creditors.

The date of **Insolvency** will be the date on which the first of the above events occurs.

- 2.17 **Insured** means the **Insured** specified in the **Declarations** and/or **Additional Named Insureds** specified in an **Endorsement(s)**.
- 2.18 **Insured Contract** means the contract between the **Insured** and the **Buyer** pursuant to which **Shipments** are made. In respect of each **Shipment** relating to goods, the **Insured** shall have each of: (1) a valid and enforceable written agreement between the **Insured** and the **Buyer**; (2) a purchase order setting forth both the quantity and type of goods to be purchased by the **Buyer**; (3) an invoice evidencing the terms of the sale between the **Insured** and the **Buyer** pursuant to which **Shipments** are made; and (4) a proof of delivery including the terms on which title to the goods passes to the **Buyer**. In respect of each **Shipment** relating to services, the **Insured** shall have in place a signed written agreement with the **Buyer** specifying the services and terms on which they will be performed.
- 2.19 **Insured Percentage** means the percentage specified in the **Declarations** or Appendices by which a **Loss**, or where there is more than one **Loss**, the aggregate of **Losses**, in excess of the **Annual Aggregate Deductible**, is multiplied to determine the **Underwriter's** payment to the **Insured** under this **Policy**.
- 2.20 **Invoicing Period** means the number of days indicated in the **Declarations** within which the **Insured** must submit its invoices to a **Buyer** from the date of **Shipment** of goods or completion of services for which the **Insured** is entitled to receive payment from the **Buyer**.
- 2.21 **Loss** means the **Insured's** non-receipt of the invoice value of an **Insured Contract** as of the expiration of the **Waiting Period**, less (1) any discount, allowance, offset, counter claim or other credit to which the **Buyer** would be entitled; (2) any amounts received from any source as or towards the **Insured Contract(s)**; (3) the invoice amounts of any **Shipment(s)** that were not shipped, completed or are otherwise in **Dispute**; (4) interest related charges accruing after the **Maximum Extension Period**; and (5) any applicable sales, value added or comparable tax charges.
- 2.22 **Maximum Aggregate Limit of Liability** means the amount specified in the **Declarations**; the **Underwriter's** liability under the **Policy** shall not exceed this amount.
- 2.23 **Maximum Discretionary Credit Limit Loss** means the total amount of the **Underwriter's** liability for aggregated **Discretionary Credit Limits**, as specified in the **Declarations**.
- 2.24 **Maximum Extension Period** means the number of consecutive calendar days from the original **Due Date**, as specified in the **Declarations**.



- 2.25 **Maximum Terms of Payment** means, as specified in the **Declarations**, the initial maximum number of days the **Insured** may extend credit to the **Buyer**, except as may be otherwise approved by the **Company** in an **Endorsement(s)** to this **Policy**.
- 2.26 **Non-Qualifying Loss Amount** means the amount specified in the **Declarations**. If a **Loss** does not exceed such amount, then such amount shall be incurred by the **Insured** for its own account and shall not be applied to the **Annual Aggregate Deductible**.
- 2.27 **Policy Currency** means the currency specified in the **Declarations** and shall be the currency of the **Insured's** premium payments and any **Compensation Amounts** paid by the **Underwriter**.
- 2.28 **Policy Period** means the period specified in the **Declarations**.
- 2.29 **Proof of Loss** means the **Insured's** executed **Proof of Loss** in the form of Exhibit A attached hereto and all available supporting information shall be submitted within ninety (90) calendar days following the expiry of the **Waiting Period**, otherwise the claims submission will not be accepted for consideration. The **Proof of Loss** may be submitted by post to the **Company's** registered office or by email at: notifications@nexusclaims.com
- 2.30 **Protracted Default** means the ongoing failure of any **Buyer** to pay, on a specified **Due Date**, all or part of an invoice arising from a **Shipment** for the duration of the **Waiting Period** as specified under Appendix A (**Country Limits**).
- 2.31 **Recoveries** mean any monies (including receivables, dividends or distributions paid or payable out of an **Insolvent Buyer** estate), securities, indemnities, guarantees, rights, remedies, benefits, or other amounts received, recovered, held or realized by or available to the **Insured** or, alternatively, by anyone acting on the **Insured's** behalf (including the **Company**) in relation to a **Loss**.
- 2.32 **Shipment** means the sale of goods or services in accordance with the terms of an **Insured Contract**, which are, in the case of goods, shipped during the **Policy Period** and, in the case of services, invoiced during the **Policy Period** to **Buyer(s)** in accordance with the **Insured Contract(s)**. In respect of the shipment of goods, **Shipment** shall be deemed to be made when title to the goods passes to the **Buyer** in accordance with the terms of the **Insured Contract**. In the case of services, **Shipment** shall be deemed to be made as of the date of each invoice submitted to the **Buyer** for completed services.
- 2.33 **Third Countries** means those countries specified in Appendix C of the **Declarations**.
- 2.34 **Underwriter** means United States Fire Insurance Company, a Crum & Forster company.
- 2.35 **Waiting Period** means the number of days that must elapse after the **Due Date** before a **Loss** under this **Policy** shall be acknowledged. In the case of **Buyer Insolvency**, the end of the **Waiting Period** shall be the later to occur of: (1) the initial **Due Date** relating to a claim of **Loss** and (2) the date of **Insolvency**. For cases other than **Buyer Insolvency**, the **Waiting Period** shall be one hundred and eighty (180) days from the **Due Date** unless otherwise specified in the **Country Limits** set forth in Appendix A hereto.

Headings printed in this **Policy** are included for reference only and shall not constitute a part of the **Policy**.

Defined terms shall have the meanings ascribed herein and shall be set off in bold type throughout the **Policy**.





### SECTION 3. REPRESENTATIONS and WARRANTIES

#### 3.1 REPRESENTATIONS AND WARRANTIES

The **Insured** represents and warrants that:

- a) As of the date of its execution of this **Policy**, it has no knowledge of any circumstance which could give rise to or increase the likelihood of a **Loss**;
- b) All the information (whether provided verbally or in writing) that the **Insured** has provided to the **Company** and **Underwriter** including, but not limited to, the information provided in the **Application** and **Credit and Collections Questionnaire**, is true and correct and that no material information has been withheld; and
- c) At the time of their execution and prior to any related **Shipment(s)**, the **Insured Contract(s)** were/are legally binding and enforceable against all contracting parties and, if applicable, any guarantor under the terms of a guaranty agreement.

### SECTION 4. COVENANTS

#### 4.1 COVENANTS

The **Insured** covenants that:

- a) At all times, including but not limited to, initial placement or renewal of the **Policy** and when applying for **Credit Limits** and **Country Limits**, the **Insured** must disclose promptly all material facts that may affect the **Company** and **Underwriter's** decision to provide insurance cover and the terms upon which cover is offered. All representations must be materially accurate;
- b) All the information it will provide to the **Company** and **Underwriter** will be true and correct and no material information will be withheld;
- c) It must immediately notify the **Company** on becoming aware of any circumstance which might reasonably be expected to result in a **Loss**;
- d) It shall take all reasonable steps to avoid and minimize any **Loss** amount. Without limitation, reasonable steps shall include those same steps the **Insured** would take for a similar uninsured obligation and may include formal collection and/or the institution of legal proceedings against the **Buyer** and/or any guarantor in addition to ensuring all rights to the goods shipped pursuant to an **Insured Contract(s)** are properly preserved and/or exercised to the extent practicable under the circumstances. The **Insured** must also take any other measures which may be required by the **Company**;
- e) For all **Insured Contracts**, any indebtedness shall, at the time established, be legally enforceable in the **Buyer's** country and the **Insured** shall use its best efforts to maintain enforceability;
- f) It shall cease all **Shipments** to any **Buyer** upon the earlier to occur of: (1) the **Buyer** becomes **Insolvent** or (2) when and for so long the **Buyer** is in excess of the **Maximum Extension Period** past due in any undisputed payment obligations to the **Insured** which, in the aggregate, exceed the **Non-Qualifying Loss Amount** or (3) on becoming aware of any circumstance which might reasonably be expected to result in a **Loss**;





- g) It shall not extend initial terms of payment to a **Buyer** for a period longer than the **Maximum Terms of Payment**, or reschedule, extend (including by the use of payment plans), postpone, accelerate, or change any **Due Date(s)** without the written consent of the **Company**. In the event that the **Buyer** is unable to make payment on the original **Due Date**, the **Insured** may grant one extension of **Due Date** in writing up to the end of the **Maximum Extension Period**, provided that the payment instrument is not a bill of exchange, promissory note, letter of credit or documentary sight draft. Where the **Insured** grants an extension as above, the original due date shall be used for the purpose of calculating the **Maximum Extension Period**. The extended **Due Date** shall become the **Due Date** for all other purposes under the **Policy**;
- h) It shall not include amounts in **Dispute** in any claimed **Loss** until such **Dispute** and amounts affected have been finally determined to be legally valid and enforceable obligation(s) of the **Buyer**;
- i) It shall retain for its own account, without recourse to any party, the amount of the **Annual Aggregate Deductible** and the uninsured percentage of any **Loss**, and the amount of any indebtedness owing to the **Insured** by any **Buyer** that exceeds the applicable **Credit Limit**;
- j) The credit risk management policies and procedures set forth in its **Credit and Collections Questionnaire** shall apply to all **Insured Contracts** and it will not vary such policies and procedures in any material way without the advance written agreement of the **Company**;
- k) It shall provide a report within ten (10) calendar days of the end of each calendar month and at the end of the **Policy Period** showing, as at the month end, any undisputed amounts exceeding the **Non-Qualifying Loss Amount** that are overdue from a **Buyer** by more than the **Maximum Extension Period**;
- l) It must provide an accurate report of its annual sales in respect of the business to which this **Policy** applies within thirty (30) calendar days from expiry of the **Policy Period**; and
- m) It shall pay all **Premium** including any premium taxes promptly and in accordance with the due date noted in the premium invoice issued by the **Company**.

## SECTION 5. COMPENSATION AMOUNT

### 5.1 COMPENSATION AMOUNT

Subject to Section 6 "Exclusions", the **Non-Qualifying Loss Amount**, the applicable **Country Limit of Liability**, the **Maximum Discretionary Credit Limit Loss** and the **Maximum Aggregate Limit of Liability**, the **Compensation Amount** for a **Loss** shall be calculated as set forth in Section 5.2.

### 5.2 CALCULATION OF COMPENSATION AMOUNT

The **Compensation Amount** shall be calculated as follows:

- a) The claimed **Loss** amount shall be reduced by any applicable **Annual Aggregate Deductible** and then multiplied by the **Insured Percentage**.
- b) Where the amount owing from a **Buyer** is denominated in any currency other than the **Policy Currency**, payment of any **Loss** will be made in the **Policy Currency** converted at the exchange



rate on the last working day of the month in which the invoice relating to the **Shipment** was issued; in each case, the **Insured** shall utilize the Wall Street Journal reference rate of exchange as basis for its calculation of the conversion amount.

### 5.3 LIMITATIONS

- a) No **Compensation Amount** will be due, except to the extent that the aggregate claimed **Loss** amounts since the inception of the **Policy**, net of any offset or **Recoveries**, exceed the **Annual Aggregate Deductible**.
- b) No **Compensation Amount** shall be due in respect of any amount the subject of a **Dispute** until resolved or otherwise confirmed in accordance with the terms of Section 7.2 hereof.
- c) No **Compensation Amount** shall be due in respect of **Loss** amounts claimed for **Shipment(s)** made to a **Buyer** when the **Credit Limit** has not been approved in writing by the **Company** or, where applicable, the **Discretionary Credit Limit** has not been established in compliance with the **Discretionary Credit Limit Endorsement** prior to the time of the affected **Shipment(s)**.
- d) Any **Compensation Amount** due hereunder shall be subject to adjustment by the **Company** in respect of: (1) any offset amount owing to the **Company** and/or the **Underwriter** from the **Insured** whether or not in respect of the **Policy** or other unrelated amount(s) and (2) any premium amounts due and owing to the **Company** and **Underwriter** in accordance with the terms of the **Policy** whether in respect of minimum and deposit premium or adjustment premium amounts accruing throughout the **Policy Period** in accordance with the **Insured's** actual sales, as verified by the **Company**.
- e) The aggregate of all **Compensation Amounts** paid by the **Underwriter** under this **Policy** shall not exceed any of the following: (1) the applicable **Country Limit of Liability**; (2) the applicable **Credit Limit(s)**; (3) the **Maximum Discretionary Credit Limit Loss**; or (4) the **Maximum Aggregate Limit of Liability**. Each of the applicable **Country Limit of Liability**, applicable **Credit Limit(s)** and **Maximum Aggregate Limit of Liability** shall be reduced by the amount of any paid **Compensation Amount**.
- f) **Credit Limits** and **Country Limits** aggregating under this **Policy** shall not be cumulative or otherwise cross-aggregating with any preceding, replacement or future policies. For the avoidance of doubt, there shall never be more than one **Credit Limit** in effect for any one **Buyer** nor more than one **Country Limit** in effect for any one country.
- g) The **Underwriter** shall not be liable for any **Loss** arising from **Shipments** while a **Buyer** has any outstanding amounts due for longer than the **Maximum Extension Period** provided, however, this limitation shall not apply in respect of an outstanding amount relating to a **Dispute** which the **Insured** has acknowledged. Further, and for the avoidance of doubt, in the event the **Insured** continues **Shipments** beyond the **Maximum Extension Period**, no coverage hereunder shall extend to such **Shipments**.
- h) The **Company** must expressly approve cash in advance payment terms to a **Buyer** who is overdue more than the **Maximum Extension Period** in respect of previous **Shipments**. The **Underwriter** shall not otherwise extend cover hereunder and the value of any such **Shipments** shall be deducted by the **Company** from the calculation of the indemnifiable **Loss** amount.
- i) For the purposes of calculating a **Loss**, all amounts received from a **Buyer** (whether or not in respect of **Shipments** insured by the **Underwriter** and irrespective of any designation by the **Buyer**) shall be allocated in the chronological order of **Due Dates**.



## SECTION 6. EXCLUSIONS

### 6.1 EXCLUSIONS

The **Underwriter** shall not pay a **Compensation Amount** for any **Loss** which is caused by:

- a) The material breach by the **Insured** or any of its representatives or agents of the terms of this **Policy** or any of the **Insured Contract(s)**;
- b) Criminal or fraudulent acts or omissions of the **Insured**;
- c) The failure by the **Insured** or by any of its agents to fulfil any of the terms or conditions of the **Insured Contract(s)** or to comply with the provisions of any regulation or law;
- d) the **Insolvency** of the **Insured**;
- e) The failure to obtain any export or import license or other authorization necessary for the performance of the **Insured Contract(s)**, unless the necessity arose after the date of **Shipment**;
- f) An event occurring in a country other than the **Buyer's** country unless a **Third Country** specified in Appendix C to the **Declarations**;
- g) Any claimed amount subject to an unresolved **Dispute** between the **Insured** and the **Buyer**;
- h) The financial default of any party to an **Insured Contract(s)** other than the **Buyer**;
- i) Any claimed interest amount accruing after the **Maximum Extension Period**;
- j) Any claimed amount where, on the date of **Shipment**, the **Insured** was aware of any circumstances which might reasonably be expected to result in a **Loss**;
- k) Any sales to the **Insured's** affiliates, subsidiaries or any entity in which the **Insured** has a common director, unless the **Insured** has disclosed the relationship to the **Company** and the **Company** has specifically agreed a **Credit Limit** on the **Buyer** acknowledging the relationship;
- l) Any claimed amount which falls outside the parameters described in the **Declarations**;
- m) Nuclear reaction, nuclear radiation or radioactive contamination, or the dispersal or application of pathogenic, toxic or poisonous biological or chemical elements, under any circumstance, including, but not limited to: (1) ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; (2) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or (3) any weapon employing atomic or nuclear fission or fusion or other like reaction or radioactive force or matter, or pathogenic, toxic or poisonous biological or chemical elements; and
- n) War, whether declared or not, between two or more of the following countries: (1) People's Republic of China; (2) France; (3) United Kingdom; (4) Russian Federation; or (5) United States of America.



## SECTION 7. NOTICE OF LOSS, LOSS MITIGATION, CLAIMS AND SUBROGATION

### 7.1 NOTICE OF LOSS

The **Insured** shall immediately give the **Company** notice of any known circumstances that may result in a **Loss**. In the event of a **Loss**, the **Insured** must, within thirty (30) calendar days of such occurrence, submit to the **Company** a written notification advising of the occurrence of the **Loss** and an estimation of the **Loss** amount. The **Insured** shall also provide to the **Company** all available information the **Company** may request with regard to the circumstances of any reported **Loss**.

### 7.2 LOSS MITIGATION, BUYER PROTRACTED DEFAULT AND INSOLVENCY

To mitigate the occurrence and/or amount of any **Loss**, the **Insured** shall take all prudent measures as if uninsured. Costs associated with any such measures shall be paid by the **Insured**.

For the avoidance of doubt, in the event of any claim of **Loss** arising from **Protracted Default**, the **Insured** may be required to retain a collection agency and/or legal counsel within ninety (90) calendar days of any relevant **Due Date** and, as advised by such collection agent and/or counsel, take all necessary legal actions to obtain a court ordered default judgment for payment of the relevant outstanding **Buyer** debt or, alternatively, a judgment affirming its position and rights to a specified amount. In the event of **Insolvency**, the **Insured** shall obtain and provide any evidence thereof including copies of **Buyer** bankruptcy filings, proof of a valid out of court assignment and/or creditor approved liquidation of **Buyer** assets or other available written documents verifying an event of **Insolvency** and the **Insured's** claim(s).

### 7.3 SUBMISSION OF A PROOF OF LOSS AND CLAIM

- a) A **Proof of Loss** may be submitted at any time following the expiry of the **Waiting Period** provided that, however, it is submitted no later than ninety (90) days following the expiry of the **Waiting Period**.
- b) Following the submission of a **Proof of Loss**, the **Insured** must still provide to the **Company** any additional evidence necessary to prove the claim of **Loss**. The **Insured's Proof of Loss** and supplemental claim of **Loss** information must verify and/or certify: (1) that the **Loss** occurred, (2) the calculation of the **Compensation Amount**, (3) that no Exclusion applies, and (4) that there has been no breach of any of the terms and conditions of the **Policy**.
- c) The **Insured** shall at all times have the responsibility for proving a claim of **Loss** under this **Policy**.

### 7.4 DETERMINATION OF THE VALIDITY OF A CLAIM

The **Company** shall make a determination regarding the **Insured's** claim of **Loss** promptly following the date upon which the **Company** has received the **Insured's Proof of Loss** and any additional requested information provided that, however, thirty (30) days before submitting a **Proof of Loss** the **Insured** shall have made a formal written demand for payment to the **Buyer** and/or any guarantor.



## 7.5 PAYMENT OF COMPENSATION AMOUNTS

Payment of a **Compensation Amount** for a **Loss** will be made within thirty (30) calendar days of the date the **Company** has confirmed receipt of all necessary information to finalize its claim of **Loss** determination. For the avoidance of doubt, if the **Company** has not requested additional information following the date on which it has confirmed receipt of the **Insured's Proof of Loss**, the **Company** shall pay the final calculated **Compensation Amount** within thirty (30) calendar days of the date of its receipt of the **Proof of Loss**.

## 7.6 SUBROGATION

As a condition precedent to the payment of any **Compensation Amount**, the **Underwriter** shall be subrogated to, and, if the **Underwriter** requests, the **Insured** shall assign to the **Underwriter** (1) all of the **Insured's** rights of recovery against any person or organization in respect of the **Loss** for which the **Compensation Amount** is to be paid, (2) all of the **Insured's** right, title and interest in, and its right to receive, all or part of the **Buyer** receivable(s) that is (are) the subject of the claim of **Loss**, and (3) all of the **Insured's** rights under the **Insured Contract(s)** or any other document relating to any **Shipment(s)**, including any promissory notes and other security agreements in respect of the **Loss** for which the **Compensation Amount** is to be paid. Such assignments or subrogation shall be in proportion to the **Loss** for which the **Compensation Amount** is to be paid. If the **Underwriter** requests assignments, all such assignments shall be free and clear of all claims, defenses, counterclaims, rights of set-off and other encumbrances. The **Insured** shall not release the **Buyer** or any other party from their obligations to make any payments (or any part thereof) that are the subject of a claim of **Loss**. The **Insured** shall execute and deliver all instruments and documents and do whatever is necessary to secure such rights for the **Underwriter**. The **Insured** shall do nothing to prejudice the **Underwriter's** rights. To the extent the **Underwriter** has not requested an assignment, the **Insured** shall retain legal title to and hold in trust for the benefit of the **Underwriter** any interest or claim to which the **Underwriter** is entitled. For the avoidance of doubt, the **Company**, at the direction of the **Underwriter**, shall be authorized to instruct the **Insured** insofar as any of the actions contemplated herein and the **Underwriter's** rights generally.

## 7.7 RECOVERIES

Following the payment of any **Compensation Amount** hereunder, **Recoveries** shall be paid to the **Company**, who shall distribute them to the **Underwriter**, until the **Underwriter** has completely recovered the following amounts: (1) the **Compensation Amount**; (2) the **Underwriter's** share of pre-approved **Insured** expenses associated with the claim of **Loss**; (3) the **Insured Percentage** of any interest recovered; (4) the **Underwriter's** share of expenses associated with **Recoveries**; and (5) the additional amount the **Underwriter** would have paid but for the **Annual Aggregate Deductible**. Any **Recoveries** received by the **Insured** shall be held in trust for the benefit of the **Underwriter** until the total of items (1) through (5) have been recovered; any additional amounts following the full recovery of items (1) through (5) shall reinstate the **Annual Aggregate Deductible** and thereafter be allocated to the **Insured**.

# SECTION 8. GENERAL RIGHTS AND OBLIGATIONS OF INSURED, UNDERWRITER AND COMPANY

## 8.1 ACCOUNTING PRINCIPLES

All financial statements and accounts of the **Insured**, as well as the calculation of any **Loss** hereunder, shall be in accordance with the principles of accounting generally accepted in the



**Insured's** country, consistently applied and as used by the **Insured** in its certified financial statements.

## 8.2 ASSIGNMENT OF POLICY

This **Policy** and any rights hereunder shall not be assigned by the **Insured** without the prior written consent of the **Company**.

## 8.3 CANCELLATION OF THIS POLICY

The **Insured** may not cancel this **Policy**.

Subject to Sections 3 and 4 herein, the **Company** or **Underwriter** (the notice provided by either one being effective notice by the other) will only cancel this **Policy** for the non-payment of premium and/or the **Insolvency** of the **Insured**. For the avoidance of doubt and in the event of the non-payment of any premium due hereunder at any time, either of the **Company** or **Underwriter** (the notice provided by either one being effective notice by the other) shall have the right to cancel this **Policy** upon thirty (30) days written notice of non-receipt in any such case.

## 8.4 COMPLETE AGREEMENT OF THE PARTIES; AMENDMENTS AND WAIVERS

This **Policy** constitutes the complete agreement between the parties, superseding any prior agreements or understandings. No provision or Exhibit of this **Policy** may be modified or supplemented except by a written agreement executed by authorized representatives of the parties. Neither party shall be deemed to have waived any of its rights under this **Policy**, unless expressly so stated in a written notice by the party waiving such right to the other party.

## 8.5 GOOD FAITH; FRAUD AND CONCEALMENT

This **Policy** is a contract of utmost good faith between the **Underwriter** and the **Insured** and, in accordance with this principle, the **Insured** confirms that before the **Policy** has been agreed, the **Insured** and its agents fully disclosed and truly represented to the **Company** and **Underwriter** all material facts and circumstances which might influence the **Company** and **Underwriter** to fix the premium amount or to agree to subscribe to the **Policy** generally. In particular (but without prejudice to the generality of the obligation), the **Insured** confirms that as of the inception date of the **Policy** neither it nor its agents had any information of any fact or circumstance which could give rise to or increase the likelihood of a **Loss**. Should the **Insured** and its agents fail to disclose or truly represent all material facts and circumstances, the **Underwriter** shall be entitled upon notice to the **Insured** to treat the **Policy** as void as from the date upon which the **Policy** was initially incepted and, where required by law, tender return of any premium paid. For the further avoidance of doubt, prior to any variation or any amendment to the terms of the **Policy**, the **Insured** and its agents shall again fully disclose and truly represent to the **Company** and **Underwriter** all facts and circumstances that may influence the **Company** and **Underwriter** in their agreement to such variation or amendment whether by **Endorsement** or other basis agreed and, in the event of a breach by the **Insured** or any of its agents of these duties, the **Company** and **Underwriter** shall be entitled to treat any variation or amendment agreed as void.

## 8.6 DISPUTES AND ARBITRATION

- a) Any dispute, controversy or claim arising out of, relating to, or in connection with this **Policy**, shall be finally settled by arbitration. The arbitration shall be conducted in accordance with the International Arbitration Rules of the American Arbitration Association in effect at the time of the





arbitration. The seat of the arbitration shall be New York, New York, in the United States of America, and shall be conducted in English.

- b) The arbitration shall be conducted by three arbitrators. The claimant initiating the arbitration shall appoint an arbitrator in its written request for an arbitration. The respondent shall appoint an arbitrator and so notify the claimant in writing within forty-five (45) days of its receipt of the request for arbitration. The first two arbitrators appointed in accordance with this provision shall appoint a third arbitrator within forty-five (45) days after the respondent has notified the claimant of the appointment of its arbitrator. The third arbitrator shall serve as chairperson of the arbitration.
- c) The arbitral award shall be in writing, state the reasons for the award, and be final and binding on the parties. Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant party or asset. In no event shall the **Underwriter** be liable for payment of any award issued by the arbitration panel under this **Policy** for an amount exceeding the **Maximum Aggregate Limit of Liability**. By entering into this agreement to arbitrate, the parties expressly waive any claim for punitive, exemplary or any similar damages. The only damages recoverable under this agreement are compensatory damages.

#### 8.7 DISCLOSURE OF EXISTENCE OF POLICY

The **Insured** may not disclose the existence of this **Policy** unless approved by the **Company**. This clause does not apply, however, to information which the **Insured** is required to disclose pursuant to any law or order of any court or order of any governmental agency or supervisory authority.

#### 8.8 INSURED'S RECORDS

Upon reasonable notice to the **Insured**, either or both the **Underwriter** and **Company** may, at any time, examine or copy any records in the possession or control of the **Insured** relating to or connected with this **Policy** or any of the **Insured Contract(s)**. The **Insured** shall maintain all records relating to the **Insured Contract(s)** for a period of seven (7) years after the expiration of the **Policy Period**.

#### 8.9 NOTICES

All notices under any provision of this **Policy** shall be transmitted to the **Broker**.

#### 8.10 OTHER INSURANCE

If the **Insured** has any bond, indemnity or insurance which would cover a **Loss** in whole or in part in the absence of this **Policy**, then this **Policy** shall be null and void to the extent of the amount that could have been recovered or received under such other bond, indemnity, or insurance. However, this **Policy** shall cover such **Loss**, subject to its exclusions, conditions and other terms, in the event the amount of any such **Loss** exceeds the amount recoverable or received under such other bond, indemnity or insurance.

#### 8.11 SANCTIONS

The **Underwriter** shall not be deemed to provide cover and the **Underwriter** shall not be liable to pay any claim of **Loss** or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim of **Loss** or provision of such benefit would expose the **Underwriter**, its parent companies or its ultimate controlling entities to any sanction, prohibition, reporting



obligation or restriction under United Nations resolutions or trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

#### 8.12 ASSIGNMENT OF CONTRACT RIGHTS

If the right to receive payment from the **Buyer** has been assigned or charged to a third party, or is in any way encumbered, the **Underwriter** shall not be liable to make payment until the person in whose favor the assignment or charge has been made, has given the **Company** a written undertaking that they will account to the **Company** for, and will not make any claim to, the **Underwriter's** allocation or proportion of the **Recoveries**.

#### 8.13 WAIVERS

No variation or waiver relating to any term or condition of this **Policy** shall be binding unless the **Company** has specifically agreed to it.

#### 8.14 COUNTERPARTS

This **Policy** may be executed in separate counterparts, each of which when so executed shall be an original, and shall together constitute one and the same **Policy**.





**CRUM & FORSTER®**  
A FAIRFAX COMPANY



## Trade Credit Insurance Application

Please complete all the sections of the form, including Appendices A and B and return to Nexus Specialty Inc., 25 Broadway, 9<sup>th</sup> Floor, New York, New York, 10004.

The form may be completed on screen; however, the completed form must be printed out and signed before submission.

1. Your details			
Company name			
Address			
DUNS #			
Contact name		Position	
Email address			
Telephone No.		Fax No.	

2. Subsidiaries to be insured	
Name	Address

### 3. Information on your business

a. Please give a general description of your business.

b. How many employees do you have?

c. What are the goods or services to be insured?

d. Do you manufacture the goods that you are selling?

If no, please give details:

Yes ☐ No ☐

e. What are your normal terms of payment?

f. What are your maximum terms of payment? What proportion of your sales is on extended terms?

g. What is your average Day's Sales Outstanding (DSO)? Does this deviate from your "target" DSO? If yes, please provide details.

h. Do you require pre-delivery cover?

If yes, please provide more details on the pre-credit risk:

Yes ☐ No ☐

i. Please give details of any security, guarantees, non-recourse financing and credit insurance in place in respect of the buyers to be insured.

j. Please provide details on the resale value of your products.

k. Do you factor, discount or otherwise assign your accounts receivable? If yes, please provide more details:

Yes ☐ No ☐

#### 4. Information on your sales

a. Currency	
b. Estimated sales for this year.	
c. Are the sales seasonal? If yes, please give details:	Yes <input type="checkbox"/> No <input type="checkbox"/>

Please complete Appendices A and B giving a breakdown of sales by country and buyers

d. Bad debts				
Period	Sales	Total bad debts	Largest bad debt	No. of bad debts
Current year to date				
Last year to __/__/__				
Prior year to __/__/__				
Prior year to __/__/__				
Prior year to __/__/__				
Prior year to __/__/__				
e. Largest bad debts				
Year	Name of buyer	Country	Cause of Loss	Amount of loss

## 5. Information on your buyers

a. Please describe the business activities of the buyers to be insured.

b. Please provide your quarterly accounts receivable balance.

1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter

c. Buyer analysis – please state your highest total outstanding receivables balance during the past 12 months.

Date of analysis	__/__/__			
Currency				
Outstanding receivables	No. of buyers	% of buyers	Amount of receivables outstanding	% of receivables outstanding
0 - 25,000				
25,001 - 50,000				
50,001 - 100,000				
100,001 - 250,000				
250,001 - 500,000				
500,001 - 1,000,000				
1,000,001 - 2,500,000				
2,500,001 - 5,000,000				
5,000,001 - 10,000,000				
More than 10,000,000				
<b>Total</b>				

d. Aged receivables analysis			
Age of receivables		Amount	
Current - not yet due			
1 - 30 days overdue			
31 - 60 days overdue			
61 - 90 days overdue			
More than 90 days overdue			
<b>Total</b>			

e. Are there any buyers that are causing you any concerns? If yes, please explain why:		Yes <input type="checkbox"/>	No <input type="checkbox"/>
f. Are there any buyers with whom you have experienced payment delays of more than 30 days, or who have requested longer terms of payment, or who have asked for a payment extension, within the past 12 months? If yes, please explain why:		Yes <input type="checkbox"/>	No <input type="checkbox"/>
g. Overdue accounts – please list your top 5 overdue accounts (including rescheduled receivables, legal actions etc.). Additional information may be attached on a separate sheet.			
Name of buyer	Amount overdue	Original due date	Current status
1.		__/__/__	
2.		__/__/__	
3.		__/__/__	
4.		__/__/__	
5.		__/__/__	

## 6. Information on your security

a. Do your contracts with your customers allow you to be the principal entitled to take recovery action?

Yes ☐

No ☐

If no, please explain why:

b. Do your standard terms and condition contain an "All Monies" retention of title clause?

Yes ☐

No ☐

If no, please explain why:

## 7. Information on your credit management

a. Do you have a separate credit management department?

Yes ☐

No ☐

b. Who in your company is responsible for your credit management?

Name

Position

c. Do you assess your customers' creditworthiness?

If yes, please indicate which method(s) you use:

Yes ☐

No ☐

Bank or trade references

Yes ☐

No ☐

Trading history

Yes ☐

No ☐

Credit insurance on-line service

Yes ☐

No ☐

Credit agency report.

If yes, please indicate which agencies:

Yes ☐

No ☐

d. Do you risk-score your buyers?

Yes ☐

No ☐

e. How often do you update your credit information?



#### 8. Previous credit insurance cover

a. Do you currently have a credit insurance policy?

If yes, please give details of insurer, renewal date and premium costs:

Yes ☐

No ☐

b. Have you ever been refused a credit insurance policy (including declination to renew a policy) or had a policy rescinded?

If yes, please explain why:

Yes ☐

No ☐

#### Additional information

1. Please attach a copy of your credit management procedures (if available).

2. Please complete Appendices A and B of this proposal form.

#### Declaration

The undersigned is an authorized representative of the Applicant named in this application. The undersigned agrees that if the information supplied on the application changes between the date of the application and the effective date of the insurance, he/she (undersigned) will immediately notify us of such changes, and we may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. Signing of this application does not bind the Applicant or us to complete the insurance.

The undersigned warrants that the information contained in the Application is true and complete and that this Application forms the basis of and is incorporated into the policy, if issued.

Signature

Name

Position

Date

\_\_/\_\_/\_\_

## Appendix A - Sales information

Currency	
----------	--

Country	Sales in last 12 months	Projected sales in next 12 months	Number of Buyers	Terms of payment	Country limit required
TOTAL					

Country limit requested should represent the maximum anticipated outstanding over the next 12 months for the countries listed (excluding cash, irrevocable letter of credit sales and inter-company trading).





## Appendix B - Credit limit requirement

[illegible]



## **FRAUD WARNINGS:**

### **Notice to Alabama Applicants:**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit, or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution or confinement in prison, or any combination thereof.

### **Notice to Arkansas, New Mexico, Rhode Island and West Virginia Applicants:**

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

### **Notice to Colorado Applicants:**

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

### **Notice to District of Columbia Applicants:**

**WARNING:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

### **Notice to Florida Applicants:**

Any person who knowingly and with intent to injure, defraud, or deceive any insurance company files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony in the third degree.

**Notice to Hawaii Applicants:** For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

### **Notice to Kansas Applicants:**

Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral or telephonic communication statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

### **Notice to Kentucky Applicants:**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

**Notice to Louisiana Applicants:**

Any person who knowingly and with intent to deceive, presents a false or fraudulent claim for payment of a loss or benefit, or knowingly and with intent to deceive, presents false information, that is material to the risk, in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. Fraud or misrepresentation with the intent to deceive made after the contract is formed is grounds to deny coverage for illegitimate claims and is reason for cancellation, but the insurer must supply coverage for legitimate claims until cancellation is effective.

**Notice to Maine, Tennessee Virginia and Washington Applicants:**

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.

**Notice to Maryland Applicants:**

Any person who knowingly and wilfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and wilfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**Notice to New Jersey Applicants:**

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**Notice to New York Applicants:**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**Notice to Ohio Applicants:**

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**Notice to Oklahoma Applicants:**

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**Notice to Oregon Applicants:**

Any person who, knowingly and with intent to defraud or facilitate a fraud against any insurance company or other person, submits an application, or files a claim for insurance containing any false, deceptive, or misleading material information may be guilty of insurance fraud.

**Notice to Pennsylvania Applicants:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**Notice to Vermont Applicants:** Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.



**Notice to Applicants of all other states:** Any person who, knowingly or with intent to defraud or to facilitate a fraud against any insurance company or other person, submits an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto, may be guilty of committing a fraudulent insurance act, which is a crime and may subject the person to criminal and civil penalties.

**WARRANTY STATEMENT**

The undersigned is an authorized representative of the Applicant named in this application. The undersigned agrees that if the information supplied on the application changes between the date of the application and the effective date of the insurance, he/she (undersigned) will immediately notify us of such changes, and we may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. Signing of this application does not bind the Applicant or us to complete the insurance. The undersigned warrants that the information contained in the Application is true and complete and that this Application forms the basis of and is incorporated into the policy, if issued.



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## Trade Credit Insurance Renewal Application

Please complete all the sections of the form, including Appendices A and B and return to Nexus Specialty Inc., 25 Broadway, 9th Floor, New York, New York, 10004.

The form may be completed on screen, however, the completed form must be printed out and signed before submission.

1. Your details			
Company name			
Address			
DUNS #			
Contact name		Position	
Email address			
Telephone No.		Fax No.	

2. Subsidiaries to be insured	
Name	Address

### 3. Nexus Specialty Inc. expiring insurance policy

Policy No.	
Date of expiry	

### 4. Information on any change in your business for the new policy period

a. Is there any change in the general description of your business? If yes, please give details	Yes <input type="checkbox"/> No <input type="checkbox"/>
b. Is there any change in the goods or services to be insured? If yes, please give details	Yes <input type="checkbox"/> No <input type="checkbox"/>
c. Is there any change in your normal terms of payment? If yes, please give details	Yes <input type="checkbox"/> No <input type="checkbox"/>
d. Is there any change to be made on maximum terms of payment insured under the expiring Nexus Specialty Inc. policy? If yes, please give details	Yes <input type="checkbox"/> No <input type="checkbox"/>
e. Please give details of any security, guarantees, non-recourse financing and credit insurance in place in respect of the buyers to be insured.	
f. Is there any change to be the resale value of your products? If yes, please give details	Yes <input type="checkbox"/> No <input type="checkbox"/>

## 5. Information on your sales

a. Currency	
b. Estimated insured sales amount for the expiring policy period - excluding VAT and/or any other sales taxes	
c Expiring Policy period (number of months)	months
d. Projected sales to be insured for the next 12 month period - excluding VAT and/or any other sales taxes	

Please complete Appendices A and B giving a breakdown of projected sales to be insured for the next 12 month period - by country and by buyer.

## 6. Losses suffered during the expiring policy period (additional information may be attached on a separate sheet)

Date of Loss	Insured Loss event	Name of buyer	Country	Cause of Loss	Amount of loss

**7. Overdue accounts – please provide a list of accounts which are overdue by 60 days or more (including rescheduled accounts, outstanding legal actions etc. (Additional information may be attached on a separate sheet)**

Date of analysis:				
Name of buyer	Total Outstanding amount	Amount overdue	Original due date unpaid	Current status
Are there any buyers, not listed above, that cause you any concerns? If yes, please explain why:				Yes <input type="checkbox"/> No <input type="checkbox"/>



## 8. Information on your buyers

a. Buyer analysis – please state your highest total outstanding receivables balance during the past 12 months.

Date of analysis	_/_/_			
Currency				
Outstanding receivables	No. of buyers	% of buyers	Amount of receivables outstanding	% of receivables outstanding
0 - 25,000				
25,001 - 50,000				
50,001 - 100,000				
100,001 - 250,000				
250,001 - 500,000				
500,001 - 1,000,000				
1,000,001 - 2,500,000				
2,500,001 - 5,000,000				
5,000,001 -10,000,000				
More than 10,000,000				
Total				
b. Are there any buyers that are causing you any concerns? If yes, please explain why:			Yes <input type="checkbox"/>	No <input type="checkbox"/>
b. Please provide your quarterly accounts receivable balance.				
1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	

9. Details of any changes to your credit management	
a. Has there been any change made in your credit management department? If yes, please give details	Yes <input type="checkbox"/> No <input type="checkbox"/>
b. Were there any changes to your internal credit management procedures during the past 12 months or do you expect any change in the next 12 months? If yes, please indicate, which of the following did or may change	Yes <input type="checkbox"/> No <input type="checkbox"/>
Bank or trade references If yes, please give details	Yes <input type="checkbox"/> No <input type="checkbox"/>
Trading history If yes, please give details	Yes <input type="checkbox"/> No <input type="checkbox"/>
Credit agency report If yes, please indicate which agencies you use or plan to use and when	Yes <input type="checkbox"/> No <input type="checkbox"/>
Risk-scoring of your buyers If yes, please give details	Yes <input type="checkbox"/> No <input type="checkbox"/>
On the frequency you update your credit information If yes, please give details	Yes <input type="checkbox"/> No <input type="checkbox"/>

#### Additional information

1. Please attach your most recent aged receivables report
2. Please attach a copy of your latest credit management procedures, if any
3. Please attach a copy of your latest annual audited financial statements
4. Please complete Appendices A and B of this Renewal Proposal Form

#### Declaration

The undersigned is an authorized representative of the Applicant named in this application. The undersigned agrees that if the information supplied on the application changes between the date of the application and the effective date of the insurance, he/she (undersigned) will immediately notify us of such changes, and we may withdraw or modify any outstanding quotations and/or authorization or agreement to bind the insurance. Signing of this application does not bind the Applicant or us to complete the insurance. The undersigned warrants that the information contained in the Application is true and complete and that this Application forms the basis of and is incorporated into the policy, if issued.

Signature		Name	
Position		Date	

## Appendix A - Sales information

Currency	
----------	--

Country	Sales in last 12 months	Projected sales in next 12 months	Number of Buyers	Terms of payment	Country limit required
<b>TOTAL</b>					

Country limit requested should represent the maximum anticipated outstanding over the next 12 months for the countries listed (excluding cash, irrevocable letter of credit sales and intercompany trading).



## **Appendix B - Credit Limit Requirement**

Please attach an excel file with credit limit requirements above the DCL.



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## Credit and Collections Questionnaire

Please complete all the sections of the form and return to Nexus Specialty Inc., 25 Broadway, 9<sup>th</sup> Floor, New York, New York, 10004.

The form may be completed on screen; however, the completed form must be printed out and signed before submission.

1. Your details			
Company name			
Address			
Registered No.		FEIN	
Contact name		Position	
Telephone No.		Fax No.	
Email address		Website	

2. Systems and procedures	
Do you have a credit procedures manual?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is credit control centralised across all locations to be covered by the policy?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, where is it controlled from?	
If no, is there any cooperation or coordination between the units?	
Which credit management software package do you use?	
Is the same software package used across all locations?	

### 3. Credit department

How many employees are there in the credit department and in what capacity?

Number	Role

Who are the senior members of the credit department?

Name	Position	Qualifications	Years of relevant experience

Can decisions made in the credit department be overruled?  
If yes, by whom?

Yes ☐

No ☐

How often has this happened in the past year?

Who is responsible for the credit control procedures adopted?
Which executive officer is directly responsible for credit management? Please provide name and title:
Please give details of ongoing training provided to existing employees?

4. Credit limit setting and monitoring procedures	
What are the maximum monetary credit amounts that can be approved and by whom?	
Name and title	Authority level
Do credit limits include value added tax (VAT)?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Do you set credit limits on (please indicate accordingly):	
Individual debtors	Yes <input type="checkbox"/> No <input type="checkbox"/>
A debtor's parent company/intermediate holding company	Yes <input type="checkbox"/> No <input type="checkbox"/>
The group (ultimate parent) to which the debtor belongs	Yes <input type="checkbox"/> No <input type="checkbox"/>
If the answer to any of the above is "No", please explain why not and how debtor exposures and group aggregations are monitored and controlled	
How are high risks highlighted and how are they monitored?	



Do you obtain financial statements to assess your debtors' creditworthiness? If no, why?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, how are these obtained and how often?	
What level of analysis, scoring or similar is carried out on the financial statements?	
If financial statements are not available, how is creditworthiness assessed?	
What credit agencies do you use (if any)?	
How frequently are credit agency reports updated?	
Are old reports retained and if so, how are they stored?	
Which rating on the report is used and how?	
Do you use previous trading experience to assess your debtors' creditworthiness? If yes, how is it reviewed and stored?	Yes <input type="checkbox"/> No <input type="checkbox"/>
What in your company's view constitutes good trading experience?	
For established accounts is trading experience the principal assessment criteria?	
Do you carry out debtor visits?	Yes <input type="checkbox"/> No <input type="checkbox"/>

If yes, who makes them and how often?		
If yes, who writes up the reports and where are they kept?		
Do you use any other methods or sources of information?		
What is the minimum information you require in order to approve a new credit limit?		
Credit limit amount	Minimum information	
Do you have any additional procedures for new customers?		
What is the minimum information you require in order to approve an increased credit limit?		
Credit limit amount	Minimum information	

How often do you complete a formal review of a credit limit?		
Credit limit amount	Frequency	What information is updated
Do you give seasonal/temporary uplifts on credit limits? If yes, how are these correlated with the underlying credit limit (e.g. % basis) and to what level?		Yes <input type="checkbox"/> No <input type="checkbox"/>
What information do you review at that time?		
Who authorises seasonal/temporary uplifts?		
What is the standard/average duration of uplifts?		
Do you keep a credit file on each debtor? If yes, how are they stored and where?		Yes <input type="checkbox"/> No <input type="checkbox"/>
Do you keep a credit limit history?		Yes <input type="checkbox"/> No <input type="checkbox"/>
How and where do you record credit limits?		
Do you trade in excess of your set credit limits? If yes, how often does this happen and what is the authorisation process?		Yes <input type="checkbox"/> No <input type="checkbox"/>

## 5. Terms of trade

At what point do you make your debtors aware of your conditions of sale (e.g. credit application form, invoice etc.)?

Who is responsible for setting payment terms?

What are your standard terms of payment?

Outline any specific arrangements and what percentage of turnover is accounted for by non standard terms?

Who may approve changes to your standard terms of payment?

Name and title	Authority level

Do you have any long-term contracts?

Do you have any binding contracts?

Do you include retention of title in your conditions of sale and has it proved effective?

Do you obtain any security for payment?

If yes, in what circumstances and what types of security?

Yes ☐

No ☐

Do you have any factoring or invoice discounting facilities? If yes, please give details	Yes <input type="checkbox"/>	No <input type="checkbox"/>

6. Exposure and overdue monitoring		
Are targets set for measuring and reporting on debtor figures? If yes, what are they and how often are they monitored	Yes <input type="checkbox"/>	No <input type="checkbox"/>
What reports are produced to monitor exposure levels and overdues?		
How often are they reviewed?		
Who reviews them and how are action points implemented?		

7. Collection practices		
Do you check the status of the account:		
Before orders are accepted? If yes, when?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Before new shipments are made? If yes, when?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
When do you raise invoices relative to when goods are delivered or services are rendered?		
When do you send out statements?		

Do you set targets for collections? If yes, please give details?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
What action do you take to ensure prompt payment? Please describe when you contact debtors both before and after due date and whether by telephone or in writing			
Who may approve requests for payment extensions when accounts are overdue and what is their authority level?			
Name and title		Authority level	
On undisputed debts how many days after due date do you:			
Cease shipments			
Instruct a collection agent			
Commence legal proceedings			
Do you make exceptions to the "Cease Shipments" date above? If yes, please give details?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
What is your process for further shipments under a contract where there are payment delays?			
How are queries and disputes identified as such in your system?			

## 8. Any other information

Please provide any further information that you may consider relevant:

Please attach:

Credit manual	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
Organisation chart of the credit department	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
Copies of credit agency reports used	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
Copies of debtor monitoring reports:		
a) Used within the credit department	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
b) At management level	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
c) At higher board levels (if joint insured)	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
Examples of financial statement analyses	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
Examples of trading experience reports held on file	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
Details of debtors on non standard terms (contra or set-off trading, forward dating of invoices, payment plans, retention monies, self billing, work in progress payments or other) including which debtors and countries and the value of sales	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
Consignment stock contract	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
Details of any long-term contracts	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>
Details of any factoring or invoice discounting facilities	Attached <input type="checkbox"/>	N/A <input type="checkbox"/>

## 9. Additional information

Where the **Insured** has a written credit procedures manual and this is on file with the **Company**, this questionnaire will serve as a summary and together with the credit procedures manual and any additional information (oral and written) provided, will be incorporated into the **Application**.

In the event of any discrepancy between the **Insured's** credit procedures manual (together with any additional information provided) and this questionnaire, the answers given herein shall prevail unless otherwise agreed by the **Company** in writing.

Where no credit procedures manual exists, this questionnaire, once signed by the **Insured** and accepted by the **Company**, together with any additional information (oral and written) provided, will describe the **Insured's Credit Procedures** and shall be incorporated into the **Application**.

## Declaration

I hereby declare that I am authorised to complete this **Credit and Collections Questionnaire (CCQ)** on behalf of the Proposer; and the statements and particulars in this CPQ are true and complete; and no material facts have been misstated or suppressed; and I am not aware of any circumstances that I have not disclosed to you which might influence your assessment of the risk; and I undertake to inform **Company** of any material alteration or addition to these statements or particulars which occurs before any contract of insurance based on the information in this CCQ is effected.

Signature		Name	
Position		Date	__/__/__
For and on behalf of (Proposer's Name)			



## Appendix B (Policy Number, Insured) – Credit Limits as at [enter date]

Buyer	Buyer's country	DUNS #	Registered #	Insured Reference	Currency (CCY)	Credit Limit	Special Conditions	Effective Date	Expiry Date

## Appendix A (Policy Number, Insured) – Country Limits as at [enter date]

For purposes of the **Policy**, the **Country Limit**, **Insured Percentage**, **Discretionary Credit Limit**, **Maximum Terms of Payment**, **Waiting Period** and Special Conditions for each **Country** covered will be as follows:

Country	Country Limit (USD)	Insured Percentage	Discretionary Credit Limit (USD)	Maximum Terms of Payment (days)	Waiting Period (days)	Special Conditions
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				

## Appendix C (Policy Number, Insured) – Third Countries as at [enter date]

For purposes of the **Policy**, the **Country Limit**, **Insured Percentage**, **Discretionary Credit Limit**, **Maximum Terms of Payment**, **Waiting Period** and Special Conditions for each **Country** covered will be as follows:

Country	Country Limit (USD)	Insured Percentage	Discretionary Credit Limit (USD)	Maximum Terms of Payment (days)	Waiting Period (days)	Special Conditions
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				
		%				



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## Credit Limit

### Policy

**Insured Name:** [add]

**Policy Number:** [add]

### Buyer

**Buyer Name:** [add]

**Street:** [add]

**Post Code / City / State:** [add]

**Country:** [add]

**VAT Number:** [add]

**Registration Number:** [add]

**DUNS Number:** [add]

**Insured Reference Number:** [add]

### Credit Limit Request

**Request Date:**

dd/month/year

**Credit Limit Requested:**

[currency] [add]

**Additional Temporary Credit Limit Requested:**

[currency] [add]

### Credit Limit Decision

**Decision Date/Time:**

dd/month/year, TIME

**Credit Limit:**

[currency] [add]

**Valid from:**

dd/month/year

**Valid to:**

dd/month/year

**Additional Temporary Credit Limit:**

[currency] [add]

**Valid from:**

dd/month/year

**Valid to:**

dd/month/year

**Insured Percentage:**

[add]%

**Specific Limit Conditions:**

- [add]

**Triggers:**

- [add]

*The Country Limit and Policy Limit remain unaffected by this Endorsement*

### Contacts

<ContactOneName>

<ContactOneEmail>

<ContactOnePhone>

<ContactOneMobile>

<ContactTwoName>

<ContactTwoEmail>

<ContactTwoPhone>

<ContactTwoMobile>



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## Endorsement [] – Adjustment Premium – Average Outstanding Exposure

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

### SCHEDULE

Minimum Premium Due Date (s):	[Date/month/year]
Premium Rate:	[rate] %

The following term is added to Section 8-General Rights and Obligations of Insured, Underwriter and Company:

#### Adjustment Premium

a. The Minimum Premium shown in the **Declarations** is payable on the Minimum Premium Due Date shown in the Schedule above.

b. In addition to the Minimum Premium, an adjustment premium will be calculated and payable as follows:

Within thirty (30) days of the expiration of the **Policy Period**, the **Insured** must provide a report showing each reporting month and the corresponding **Outstanding Balances** (as defined hereinbelow) at each month end. The **Company** will then calculate the adjustment premium as follows:

- (1) The **Outstanding Balances** for each reporting month will be multiplied by the Premium Rate shown in the Schedule above for each reporting month.
- (2) The results of Paragraph (1) above, will be added for all reporting months.
- (3) If the Minimum Premium is lower than the result of Paragraph b. (2) above, the amount in excess of the Minimum Premium plus any taxes or fees for which the **Insured** is liable shall be immediately due and payable to the **Company**.

c. For the purposes of this **Endorsement**, the following definition is added:

**Outstanding Balances** means the total amount due to the **Insured** as of each report month end with respect to **Shipment(s)** made during the **Policy Period** excluding any applicable sales, value added or comparable tax charges.

## Endorsement [] – Adjustment Premium – Annual Sales

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

### SCHEDULE

Minimum Premium Due Date (s):	[Date/month/year]
Premium Rate:	[rate] %

The following term is added to Section 8-General Rights and Obligations of Insured, Underwriter and Company:

#### Adjustment Premium

a. The Minimum Premium shown in the **Declarations** is payable on the Minimum Premium Due Date shown in the Schedule above.

b. In addition to the Minimum Premium, an adjustment premium will be calculated and payable as follows:

(1) The **Insured** must provide an accurate report of its **Annual Sales** in respect of the business to which this **Policy** applies within thirty (30) calendar days from expiry of the **Policy Period**.

(2) The total value of the **Annual Sales** made during the **Policy Period** will be multiplied by the Premium Rate shown in the Schedule above.

(3) If the Minimum Premium paid is less than the result of Paragraph b.(2) above, the amount in excess of the Minimum Premium plus any taxes or fees to which the **Insured** is liable is immediately due and payable to the **Company**.

c. For the purposes of this **Endorsement**, the following definition is added:

**Annual Sales** means the total amount invoiced with respect to a **Shipment(s)** made during the **Policy Period** excluding any applicable sales, value added or comparable tax charges.

## Endorsement [] – Trade Financier

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

### SCHEDULE

Trade Financier:	[Name] [Address]
------------------	---------------------

The following term is added to Section 8-General Rights and Obligations of Insured, Underwriter and Company:

#### Trade Financier

Attached hereto as Exhibit 1 is the form of letter to be addressed to the **Company** and executed on formal corporate letterhead by an authorized officer of the above referenced **Trade Financier** that provides certain financing to the **Insured** in connection with **Shipments to Insured Buyers**. The sole purpose of this **Endorsement** and the attaching Exhibit 1 letter is to allow the **Trade Financier**, following an **Insured Insolvency** event, to submit, compromise and otherwise settle **Proofs of Loss** submitted to the **Company** in respect of **Insured Buyers**. For the avoidance of doubt and only to the extent specified in a fully executed Exhibit 1 letter, the **Trade Financier** may correspond directly with the **Company** following the submission by the **Insured** of a valid executed **Proof of Loss** (the **Insured**, under all circumstances, will be required to submit a valid executed **Proof of Loss** in connection with any claim of **Loss** made by the **Trade Financier**) and otherwise communicate directly with the **Company** in respect of its review, compromise or other settlement of any claim of **Loss** in respect of **Insured Buyers**. In addition, and only to the extent authorized by a fully executed Exhibit 1 letter, the **Trade Financier** shall be authorized to communicate directly and otherwise assume the rights and obligations of the **Insured** in connection with any **Recoveries** following the **Company's** payment of any claim of **Loss**.

The payment of any **Compensation Amount(s)** to the **Trade Financier** in respect of **Proofs of Loss** submitted by the **Trade Financier** shall fully and finally discharge the **Underwriter** for any and all liability to both the **Insured** and the **Trade Financier** in connection with the relevant claim of **Loss**. In the event there are one or more **Trade Financier(s)** or other loss payee(s) claiming any rights to any **Proof of Loss** submitted by any **Trade Financier** or the **Insured** itself, the **Company** will not make any payment until a satisfactory determination can be made regarding the proper allocation of any **Compensation Amount(s)** payable in respect of such **Proofs of Loss**.



**Trade Financier Endorsement-Exhibit 1**

**[TO BE PRINTED ON TRADE FINANCIER'S HEADED PAPER]**

NEXUS

Dear **[Insert name]**,

**Agreement title and date:** **[Insert title and date of Finance Agreement between Insured and TF]**  
(the "Agreement")

**Insured:** **[Insert Name of Insured]** (the Insured)

**Policy Number:** **[Insert]** (the Policy)

The **Insured** has asked us to forward this letter; the **Insured** having confirmed to us its **Insolvent** status on [insert confirmed date of **Insured Insolvency**]. If the above numbered policy is amended by your Trade Financier Endorsement (the **Trade Financier Endorsement**), you may accept this letter as our formal agreement that:

we accept the terms of the Trade Financier Endorsement and the **Policy** generally;

where such terms conflict with the **Agreement**, the terms of the Trade Financier Endorsement and/or **Policy**, as applicable, shall prevail;

we hereby agree to and accept the terms of the Trade Financier Endorsement and **Policy** generally and also acknowledge and agree to the following:

1. subject to the terms and conditions of the **Policy**, the **Insured's** execution of a **Proof of Loss** (in the case of each claim of **Loss** submitted), the terms of the Trade Financier Endorsement and this letter agreement, we have been authorized by the **Insured** to submit, compromise and otherwise settle with you any **Proof of Loss**;
2. we have been authorized by the **Insured** to communicate directly with you regarding **Loss** matters;
3. The **Insured** has further authorized us to communicate with you directly in respect of and otherwise assume the **Insured's** rights and obligations in connection with any claim of **Loss Recoveries**;
4. you will have no liability to us whatsoever in any situation in which you are not liable to the **Insured** for any reason whatsoever; and
5. you will under no circumstances have any greater liability to us in respect of the **Policy** than you have to the **Insured**.

We acknowledge that variation of the **Policy** remains subject to your acceptance of our and the Insured's undertakings.





Yours sincerely,

**Insert name, position and company name**

**Acknowledged and Accepted By:**

**INSURED**

---

**Name:**

**Title:**



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## Endorsement [] – Additional Named Insured

In accordance with Section 2.2 (Definitions – **Additional Named Insured**) of the **Policy**, it is agreed that the following entities are **Additional Named Insureds** to the **Policy**:

[insert list of **Additional Named Insured(s)**]

## Endorsement [] – Notice of Non-Renewal or Conditional Renewal

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

The following term is added to Section 8-General Rights and Obligations of Insured, Underwriter and Company:

### **Notice of Nonrenewal or Conditional Renewal**

- a. If the **Company** decides not to renew this **Policy**, the **Company** will mail or deliver written notice of the nonrenewal not less than sixty (60) days before the **Policy** expiration date in accordance with Section 8.9 Notices.
- b. If the **Company's** offer of renewal is conditional upon revised terms that result in a decrease in coverage, the **Company** will mail or deliver written notice of the revised terms not less than sixty (60) days before the **Policy** expiration date in accordance with Section 8.9 Notices. If we are unable to come to agreement with the **Insured** on the revised terms, the **Policy** will terminate at the end of the **Policy Period**.
- c. If notice of nonrenewal or conditional renewal is mailed, proof of mailing will be sufficient proof of notice.

## Endorsement [] – Preferential Payment Coverage

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

It is hereby agreed that the **Policy** is amended as follows:

1. Section 1 of the **Policy**, Scope of Coverage, is amended to include the following sentence at the end thereof:

For the further avoidance of doubt and in connection with any **Insolvency** event relating to a **Buyer**, the **Underwriter** will indemnify the **Insured** in accordance with the provisions of Section 5, **Compensation Amount**, for **Loss** in respect of a **Shipment** caused by any **Preference Payment**, which **Preference Payment** is made to the estate of a **Buyer** provided that the **Preference Payment** relates to **Shipment(s)** made no longer than twelve (12) months prior to the **Buyer's Insolvency** or other analogous proceeding.

2. Section 2 of the **Policy**, Definitions, is amended to include the following additional definitions and revised definition:

- a. **Preference Action** means a legal proceeding commenced under the United States Bankruptcy Code, or analogous provisions of non-U.S. **Insolvency** laws, against the **Insured** to avoid (i) the transfer by the **Buyer** of any interest in property, or (ii) any payments made by the **Buyer** to the **Insured** within ninety (90) days, or analogous period of other **Insolvency** laws, prior to the commencement of such proceedings involving the **Buyer**. In order for such a proceeding to qualify as a **Preference Action**, such an action must be asserted within the earlier to occur of: (1) twenty-four (24) months of the **Buyer's** filing for **Insolvency** protection or (2) twelve (12) months from the end of the **Policy Period**.
- b. **Preference Payment** means the amount of the **Buyer Shipment** paid invoice amount(s) that the **Insured** is required to repay, to the **Insolvent** estate of the **Buyer** as a result of a court order, judgment, or **Company** approved settlement in a **Preference Action**.
- c. The definition of **Loss** is hereby amended to include the following additional sentence at the end:

**Loss** shall also include the amount of any **Preference Payment**.

3. Section 4. of the **Policy**, Covenants, is amended to include the following additional covenants of the **Insured**:

- a. the **Insured** shall give notice to the **Company** no later than ten (10) days after becoming aware of an actual or potential **Preference Action**;
- b. the **Insured** shall refer the **Preference Action** to legal counsel for action in a timely and appropriate manner to pursue all defences allowed by the United States Bankruptcy Code and any other legal remedies available;

- c. the **Insured** shall inform the **Company** promptly of all actions taken regarding the **Preference Action** and secure the **Company's** written consent prior to entering into any settlement action with the bankruptcy estate, debtor, trustee or representative;
  - d. the **Insured** shall not agree to waive any proof of claim in the bankruptcy estate or take any action that adversely affects the **Underwriter's** or **Company's** subrogation rights without obtaining the **Company's** prior written consent;
  - e. the **Insured** shall, in addition to satisfying all existing **Proof of Loss** submission requirements set forth in the **Policy**, also provide the **Company** with:
    - (i) a supporting statement of account in respect of those **Shipments** that are the subject of the **Preference Action**;
    - (ii) evidence of the **Preference Payment(s)** to the bankruptcy estate, debtor, trustee or representative; and
    - (iii) any other documentation required by the **Company**; and
  - f. the **Insured** shall immediately notify the **Company** where any payments have been received within ninety (90) days or analogous period of non-U.S. **Insolvency** laws, prior to the **Insolvency** of the **Buyer**; such notification shall occur within thirty (30) days after an **Insolvency** of the **Buyer**.
4. Section 6 of the **Policy**, Exclusions, is amended to include the following additional Exclusions:
- a. **Losses** resulting from **Preference Payments** where the **Insured** failed to raise any valid defence to the **Preference Action** or the **Insured** failed to obtain the **Company's** written consent prior to entering into a settlement with a **Buyer** (or its respective estate);
  - b. The costs related to the defence of any **Preference Action**; and
  - c. Any claim made under this **Policy** for **Loss** suffered as a result of a **Preference Payment** where the claim is made more than thirty (30) days after the **Insured** reimburses the **Buyer's** bankrupt estate.

## Endorsement [] – No Claims Bonus

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

### SCHEDULE

<b>No Claims Bonus:</b>	[ % ] of Minimum Premium
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- A. A No Claims Bonus (*NCB*) equal to the percentage shown in the Schedule above is payable to the **Insured** at the end of the **Policy Period**, provided that:
1. premium has been paid to the **Company** in full and in accordance with the **Policy**;
  2. no claims are paid or become payable in respect of the **Policy Period**;
  3. the **Insured** renews the **Policy** with the **Company** for a consecutive twelve-month period; and
  4. the **Insured** agrees in writing and in a form acceptable to the **Company** to release the **Company** from all liability under the **Policy**.
- B. The **Insured** may choose to have payment of **Compensation Amounts** for **Losses** held in suspense with the object of earning the NCB. The **Insured** must notify the **Company** no later than ninety (90) days after the end of the **Policy Period** of the choice as to receiving payment for **Compensation Amounts** for **Losses** held in suspense or the NCB. The **Insured** must communicate the decision to the **Company** in writing and such decision will be final and irrevocable once the **Company** has been notified. If the **Insured** choose the NCB, or if the **Insured** fails to advise the **Company** of its decision within ninety (90) days after the end of the **Policy Period**, all claims for **Compensation Amounts** for **Losses** held in suspense will be deemed to be withdrawn and a NCB will be made.

For the avoidance of doubt, the total premium paid by the **Insured** to the **Company**, less the NCB, must not be lower than the **Minimum Premium** specified in the Declarations.

## Endorsement [] – Addition of Subsidiary Companies to the Policy

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

The **Policy** is hereby amended to include all **Shipments** made by the below listed Insured **Subsidiary(ies)** companies, corporations or other legal entities provided that, as of the date of the Shipments and the date of **Loss** the relevant entity meets the definition of **Subsidiary** set forth below.

For the purposes of this **Endorsement**, the following definition is added:

**Subsidiary** means a legal entity that is:

- a. controlled (meaning the **Insured** determines the composition of the majority of the entity's board of directors or equivalent governing body) by the **Insured**;
- b. More than 50% of the voting rights are held by the **Insured**; and
- c. More than half the issued share capital is beneficially owned by the **Insured**.

The date of **Loss** in respect of the **Subsidiary's Buyer** is deemed to be at the expiry of the **Waiting Period** (or in the case of the **Buyer's Insolvency**, the **Due Date** or the date of **Insolvency**, whichever is the later).

It is agreed that the following **Subsidiaries** will be covered under the **Policy**:

[insert list of **Subsidiary(ies)**]

This **Endorsement** is subject to the provisions of **Endorsement** [ Insert ref ] (Financial Interest Subsidiary Companies) (TC 04 003 01 20))

## Endorsement [] – Financial Interest Subsidiary Companies

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

A **Subsidiary** is given the same meaning as in the Addition of Subsidiary Companies Endorsement; the Addition of Subsidiary Companies Endorsement is a prerequisite to this **Endorsement**. In respect only of those certain **Subsidiaries** set forth in the Addition of Subsidiary Companies Endorsement, the **Policy** is hereby amended to include coverage of any **Financial Loss** (as defined below) the **Insured** sustains as a direct result of any **Relevant Loss** (as defined below) incurred by the affected **Subsidiary(ies)**.

The coverage extended herein shall be further limited and subject to the **Insured's** satisfaction of the following conditions:

- a. The **Insured** shall be responsible for and liable to the **Company** and **Underwriter** for the **Subsidiaries'** compliance with all terms and conditions of the **Policy** as if the **Insured** under the **Policy**. The **Insured** is deemed to know all material matters known to each of the **Subsidiaries**;
- b. Any **Recoveries** received by any of the **Subsidiaries** in respect of any **Relevant Loss** shall be deemed to be received by the **Insured** on the date received by the **Subsidiary(ies)**;
- c. The **Subsidiaries** are not parties to the **Policy** and have no rights or obligations thereunder; and
- d. The **Insured** must maintain control over the **Subsidiaries** throughout the **Policy Period** ("control" as referenced herein having the meaning ascribed in the Addition of Subsidiary Companies Endorsement) and inform the **Company** immediately of any intention to reduce its control or shareholding.

For the purposes of this **Endorsement**, the following definitions are added:

**Financial Loss** means the actual loss of value of the **Insured's** own equity shares in the **Subsidiary(ies)** as a result of the **Subsidiary(ies)** incurring a **Relevant Loss**; "value", for purposes of calculating the actual loss amount, shall be calculated on either of the following bases, as applicable:

- (i) the amount of the **Relevant Loss**, if at the date of **Loss**, the **Insured** holds 80% or more of the voting rights of the affected **Subsidiary** or
- (ii) the **Insured's** percentage ownership interest in the affected **Subsidiary** multiplied by the amount of the **Relevant Loss** if at the date of **Loss** the **Insured** holds less than 80% but more than 50% of the voting rights in the **Subsidiary**.

**Relevant Loss** means the **Loss** the **Subsidiary(ies)** would have incurred as if the **Insured** under the **Policy**.



## Endorsement [] – Loss Payee

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

### SCHEDULE

Name and Address of Loss Payee:
---------------------------------

The following term is added to Section 7-Notice of Loss, Loss Mitigation, Claims and Subrogation:

#### Loss Payee

a. Any amounts due from the **Underwriter** and payable by the **Company** to the **Insured** under this **Policy** will be paid to the Loss Payee shown in the Schedule above. The **Company** will first pay the Loss Payee shown in the Schedule above a **Compensation Amount** for a **Loss**, in accordance with the **Insured's** instructions.

Any further sums due from the **Underwriter** and payable by the **Company** under the **Policy** not otherwise designated by the **Insured** to the Loss Payee will be paid to the **Insured**. In no event will the aggregate of all **Compensation Amounts** for a **Loss** exceed the applicable limits in accordance with Section 5.3.(Limitations).

b. If there is more than one Loss Payee in respect of some, or all, of the amount payable, the **Company** will not make payment until the entitlement of each payee has been determined to the **Insured's** satisfaction.

c. Payment of any **Compensation Amounts** for a **Loss** is subject to the terms, exclusions and conditions of the **Policy**.

d. The Loss Payee is not assigned any of the rights, obligations or benefits of the **Policy**.

e. Upon payment of any amounts due under the **Policy** in respect of a **Compensation Amount** for a **Loss** to either the Loss Payee or the **Insured**, as applicable, the **Underwriter's** liability with respect to such **Loss** will be fully discharged.

## Endorsement [] – Discretionary Credit Limit – Credit Procedures

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

For purposes of the **Policy**, in order to qualify a **Buyer** for coverage under the **Discretionary Credit Limit** ("DCL"), prior to any **Shipment** to such any such qualified **Buyer**, the **Insured** must evidence that the amount of credit extended to the **Buyer** is in accordance, in all material respects, with its **Credit Procedures** and **Credit and Collections Questionnaire**, copies of which are attached hereto.

Premium is due on all **Shipments** even if the credit extended to the **Buyer** exceeds the amount of the DCL.

The DCL does not qualify or otherwise apply to:

- (1) any **Buyer** located in a country for which no **Country Limit** has been established in Appendix A to the **Policy** or
- (2) any **Buyer** for which a **Credit Limit** has been specified in Appendix B to the **Policy** or otherwise by separate **Endorsement**.



## Endorsement [] – Discretionary Credit Limit – Option A

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

For purposes of the **Policy**, in order to qualify a **Buyer** for coverage under the **Discretionary Credit Limit** ("DCL"), prior to any **Shipment** to any such qualified **Buyer**, the **Insured** must be able to provide written evidence that the **Buyer** can fulfil the following minimum favourable credit experience criteria:

<b>Credit Limit size as a percentage of the Discretionary Credit Limit</b>	<b>Minimum requirements</b> <i>(Reference information to be dated close to the time of establishment of the <b>Credit Limit</b> and not older than twelve (12) months unless otherwise specified below)</i>
<50%	<p>1) A favourable written bank reference; and</p> <p>2) a) Two favourable written trade references from two different sources unrelated to the <b>Buyer</b> which shall include credit amount and terms of payment extended. Trade references shall be from sources that have trading experience of more than six (6) months with the <b>Buyer</b>. Determination that the <b>Buyer</b> is creditworthy for the amount and terms of credit extended, which ought to be similar to payment terms and comparable in amounts to the trading references received; or</p> <p>2) b) Previous trading experience with the <b>Buyer</b> to set a <b>Discretionary Credit Limit</b> twenty-five percent (25%) more than the previous highest amount owed by the <b>Buyer</b> and paid on or before the expiry of the <b>Maximum Extension Period</b>, during the twelve (12) months prior to <b>Shipment</b>. The payment experience must be on similar terms to those of the proposed <b>Shipment</b> and must comprise at least six (6) months' worth of <b>Shipments</b>;</p> <p>Provided that, however, there is no negative information on the <b>Buyer</b> in an independent credit agency report for the <b>Buyer</b> to suggest that credit should not be extended for the amount concerned.</p>
Up to 100%	<p>1) a) The <b>Credit Limit</b> recommended in an independent credit agency report on the <b>Buyer</b>. Determination that the <b>Buyer</b> is creditworthy for the amount and terms of credit extended and as supported by the independent credit agency report; and</p> <p>1) b) if, available, previous trading experience with the <b>Buyer</b> to set a <b>Discretionary Credit Limit</b> twenty-five percent (25%) more than the previous highest amount owed by the <b>Buyer</b> and paid on or before the expiry of the <b>Maximum Extension Period</b>, during the twelve (12) months prior to <b>Shipment</b>. The payment experience must be on similar terms to those of the proposed <b>Shipment</b> and must comprise at least six (6) months' worth of <b>Shipments</b>.</p>

<b>Credit Limit size as a percentage of the Discretionary Credit Limit</b>	<b>Minimum requirements</b> <i>(Reference information to be dated close to the time of establishment of the <b>Credit Limit</b> and not older than twelve (12) months unless otherwise specified below)</i>

## Endorsement [] – On Issue Cover

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

It is hereby understood and agreed that the **Policy** is amended to include **Prior Shipments** (as defined hereinbelow) within the scope of coverage subject to the following conditions:

- a. No payment balance is due and owing to the **Insured** in respect of any of the **Prior Shipments** for a period in excess of the **Maximum Extension Period**;
- b. The **Insured**, after diligent inquiry, has confirmed that neither any reported **Losses** nor circumstances that may reasonably be expected to result in a **Loss** exist in respect of any of the **Prior Shipments** as of the date hereof;
- c. Additional premium in an amount agreed with the **Company** shall be paid within thirty (30) days of the date hereof; and
- d. The **Insured** has executed and delivered to the **Company** a letter, on its company letterhead and signed by an authorized officer, in the form of Schedule 1 hereto.

For the avoidance of doubt, in the event the **Insured** fails to fulfil any of the conditions set forth in subparagraphs a., b., c. and d. hereinabove, no coverage shall be extended to the **Prior Shipments** and this **Endorsement** shall be deemed null and void.

Definitions:

**Prior Shipments** mean **Shipments to Buyers** made between [INSERT DATE] and [INSERT COMMENCEMENT DATE OF THE POLICY].



## SCHEDULE 1

On behalf of (**INSERT NAME OF INSURED COMPANY**), I, the undersigned, represent and warrant that as at the date of commencement of Policy No. **[TO BE INSERTED]**:

1. no payment balance is due and owing to us in respect of any **Shipments** made between **[INSERT DATE]** and **[INSERT DATE OF COMMENCEMENT OF POLICY]** inclusive (**Prior Shipments**) beyond the **Maximum Extension Period** referred to in the **Policy** and the Declarations; and

2. having made diligent inquiries, we are not aware of any known or reported **Losses** or any circumstance which may reasonably be expected to result in a **Loss** in respect of any of the **Prior Shipments**.

Signed by:

Name:

Position:

Company:

Date:



## Endorsement [] – Hold Cover

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

### SCHEDULE

Underwriter:	[Name]
Policy:	[Number]
Hold Cover Effective Date:	[dd/mm/yyyy]
Hold Cover End Date:	[dd/mm/yyyy]

The **Company** agrees that any **Credit Limit** in force with an **Underwriter** as of the Hold Cover Effective Date under the **Policy** shown in the Schedule above shall be deemed to be a **Credit Limit** under this **Policy** until the earlier of the Hold Cover End Date shown in the Schedule above or the date upon which the **Company** replaces it with a new **Credit Limit** endorsed to the **Policy**.

A list of these **Credit Limits** are attached at Appendix D as set forth below.

For the avoidance of doubt, if the **Company** has not replaced a **Credit Limit** contained in Appendix D by the Hold Cover End Date shown in the Schedule above, that **Credit Limit** shall be deemed to be nil.

Where a **Credit Limit** is specified in Appendix B, it shall supersede the **Credit Limit** in Appendix D.

### Appendix D

Buyer	Buyer's country	DUNS Number	Currency (CCY)	Credit Limit



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## Endorsement [] – Discretionary Credit Limit Endorsement – Option B

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

### SCHEDULE

Discretionary Credit Limit "DCL"):	[USD amount as per Declarations]
Credit DCL:	[USD amount not larger than DCL]
Ledger DCL:	[USD amount not larger than DCL]

The **Discretionary Credit Limit**, Credit DCL and Ledger DCL as shown in the Schedule above are non cumulative.

For purposes of the **Policy**, in order to qualify a **Buyer** for coverage under the **Discretionary Credit Limit** ("DCL"), prior to any **Shipment** to any such qualified **Buyer**, the **Insured** must be able to provide written evidence that the **Buyer** can fulfil the following minimum favourable credit experience criteria:

#### Credit DCL

1. The Credit DCL as shown in the Schedule above applies where the **Insured** has no ledger experience with the **Buyer** or the **Buyer** qualifies under the Ledger DCL (as per section 2 below).

Prior to any **Shipment**, the **Insured** must be able to provide written evidence of the following:

- a. The **Insured** obtains a favourable independent credit agency report on the **Buyer** that evidences the **Buyer's** creditworthiness for the amount of credit the **Insured** will extend and the date of such credit agency report falls less than twelve (12) months prior to any **Shipment**; or
- b. The **Insured** receives, or holds prior to any **Shipment** audited or reviewed financial statements in respect of the **Buyer** where such financial statements are for a full fiscal year and the end date is not more than eighteen (18) months prior to any **Shipment**, provided such financial statements evidence all of the following:
  - i. The audit or review opinion does not contain a going concern qualification; and
  - ii. The financial statements evidence both (A) a positive net worth of at least three (3) times the amount of credit to be extended, and (B) a positive working capital position (current assets minus current liabilities); and





- iii. The income statement evidences both (A) positive earnings before interest and tax expense, and (B) a positive operating and net income.

#### Ledger DCL

- 2. The Ledger DCL as shown in the Schedule above applies where the **Insured** has ledger experience with a **Buyer**; provided that financial statements are not available, and that an independent credit agency report is either unavailable or, if available, fails to provide financial information and does not contain any adverse information, which suggest that credit should not be extended for the amount concerned.

The Ledger DCL for such **Buyer** will be no more than two (2) times the highest amount of credit outstanding at any one time during the twelve (12) months immediately preceding any **Shipment**, provided that prior to any **Shipment** to such **Buyer**, the **Insured** must evidence all of the following:

- a. There was at least one (1) transaction with the **Buyer** in the twelve (12) months immediately preceding any **Shipment**; and
- b. All amounts due from the **Buyer**, other than amounts acknowledged by both the **Insured** and the **Buyer** to be in dispute and that are less than USD 2,500, were paid within the **Maximum Extension Period** shown in the **Declarations** in the twelve (12) months immediately preceding any **Shipment**; and
- c. Any **Shipment** on secured terms (such as letter of credit, sight draft documents against payment, or cash against documents) can only be used to justify other secured repayment terms and any **Shipment** being on unsecured terms (such as time drafts or open account) can be used to justify other unsecured terms.

Premium is due on all reportable **Shipments** even if the credit extended to the **Buyer** exceeds the amount of the DCL.

The DCL does not apply to any **Buyer** for which the **Company** issues a **Credit Limit** in Appendix B (including any Endorsement specifying a **Credit Limit** of "Nil") or any **Buyer** located in any country that is not a country shown in Appendix A.



## Endorsement [] – Discretionary Credit Limit Endorsement – Option C

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

### SCHEDULE

Option:	Maximum amount the Insured may approve (Maximum DCL)	Criteria
Favourable independent credit agency report	Up to 50% of the DCL	Subject to Section 1.a. below
Audited or reviewed financial statements	Up to 100% of the DCL	Subject to Section 1.b. below
Unaudited or unreviewed interim financial statements	Up to 75% of the DCL	Subject to Section 1.c. below
Written trade references	Up to 25% of the DCL	Subject to Section 1.d. below
Good faith determination	Up to 10% of the DCL	Subject to Section 1.e. below
Ledger experience	Up to 100% of the DCL	Subject to Section 2 below

The DCL options shown in above Schedule are non cumulative and cannot be combined unless otherwise stated in writing by the **Company**.

For purposes of the **Policy**, in order to qualify a **Buyer** for coverage under the **Discretionary Credit Limit** ("DCL"), prior to any **Shipment** to any such qualified **Buyer**, the **Insured** must be able to provide written evidence that the **Buyer** can fulfil the following minimum favourable credit experience criteria and in accordance with the Schedule above:

#### Credit Criteria

1. The Credit Criteria options shown in above Schedule apply where the **Insured** has no ledger experience with the **Buyer** or the **Buyer** qualifies under the Ledger Experience option (as per section 2 below).

Prior to any **Shipment**, the **Insured** must be able to provide written evidence of the following:

- a. The **Insured** obtains a favourable independent credit agency report on the **Buyer** that evidences the **Buyer's** creditworthiness for the amount of credit the **Insured** will extend and the date of such credit agency report falls less than twelve (12) months prior to any **Shipment**.
- b. The **Insured** receives, or holds prior to any **Shipment** audited or reviewed financial statements in respect of the **Buyer** where such financial statements are for a full fiscal year and the end date is not more than eighteen (18) months prior to any **Shipment**, provided such financial statements evidence all of the following:

- i. The audit or review opinion does not contain a going concern qualification; and
  - ii. The financial statements evidence both (A) a positive net worth of at least three (3) times the amount of credit to be extended, and (B) a positive working capital position (current assets minus current liabilities); and
  - iii. The income statement evidences both (A) positive earnings before interest and tax expense, and (B) a positive operating and net income.
- c. The **Insured** must have received, or hold prior to any **Shipment**, unaudited or unreviewed interim financial statements in respect of a **Buyer** where the financial statements received are for an accounting period not less than six (6) months, and which accounting period end date is not more than twelve (12) months prior to any **Shipment** and which evidences both:
  - i. A positive net worth not less than three (3) times the amount of credit to be extended by the Insured to such Buyer; and
  - ii. A positive operating and net income.
- d. The **Insured** must obtain written trade references on a **Buyer** from at least three sources, provided all such written trade references:
  - i. are dated no later than twelve (12) months prior any **Shipment**; and
  - ii. evidence satisfactory payment experience (on similar payment terms to the terms which the **Insured** will extend); and
  - iii. reveal nothing adverse about such **Buyer** and its repayment of credit granted by each referee.

The amount of the DCL that may be utilized by the **Insured** with respect to such **Buyer** is limited to the highest amount of credit extended by a referee that was satisfactorily repaid by the **Buyer** to such referee within the twelve (12) months immediately prior to the **Insured** granting credit to such **Buyer**.

- e. The **Insured** may approve a **Buyer** by making a good faith determination based on the **Insured's** Credit Management Procedures that such **Buyer** is creditworthy for the amount and terms of the transaction. No specific credit information is required to be obtained.

### Ledger Experience

- 2. The Ledger Experience option shown in above Schedule applies where the **Insured** has ledger experience with a **Buyer**; provided that financial statements are not available, and that an independent credit agency report is either unavailable or, if available, fails to provide financial information and does not contain any adverse information, which suggest that credit should not be extended for the amount concerned.



The Ledger DCL for such **Buyer** will be no more than two (2) times the highest amount of credit outstanding at any one time during the twelve (12) months immediately preceding any **Shipment**, provided that prior to any **Shipment** to such **Buyer**, the **Insured** must evidence all of the following:

- a. There was at least one (1) transaction with the **Buyer** in the twelve (12) months immediately preceding any **Shipment**; and
- b. All amounts due from the **Buyer**, other than amounts acknowledged by both the **Insured** and the **Buyer** to be in dispute and that are less than USD 2,500, were paid within the **Maximum Extension Period** shown in the **Declarations** in the twelve (12) months immediately preceding any **Shipment**; and
- c. Any **Shipment** on secured terms (such as letter of credit, sight draft documents against payment, or cash against documents) can only be used to justify other secured repayment terms and any **Shipment** being on unsecured terms (such as time drafts or open account) can be used to justify other unsecured terms.

Premium is due on all reportable **Shipments** even if the credit extended to the **Buyer** exceeds the amount of the DCL.

The DCL does not apply to any **Buyer** for which the **Company** issues a **Credit Limit** in Appendix B (including any Endorsement specifying a **Credit Limit** of "Nil") or any **Buyer** located in any country that is not a country shown in Appendix A.

## Endorsement [] – Credit Limit Established As A First Limit

It is hereby agreed that the following amendments shall be made to the **Policy**. In the event of a conflict between the wording of this **Endorsement** and the **Policy**, this **Endorsement** shall prevail. All other **Policy** terms not specifically addressed herein shall remain otherwise unaffected and in full force and effect.

### SCHEDULE

First Limit Amount:	USD [ ]
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The following term is added to Section 2.9. Credit Limits:

#### First Limit

The **Insured** may set a written **Credit Limit** (hereinafter called a **First Limit**) up to the amount specified as the **First Limit** Amount in the Schedule shown above, provided that:

1. A **First Limit** can only be obtained via our on-line system, which will provide an immediate response stating whether the **First Limit** has been approved or declined. If it is approved, the amount of the **First Limit** is the **First Limit** Amount stated in the Schedule shown above.
2. A **First Limit** is a cancellable **Credit Limit** which means that it is monitored by the **Company** and can be cancelled when the underlying (external) credit rating deteriorates. It can also be re-instated when the underlying credit rating improves. A cancellation will take effect thirty (30) days from the date of notification, and the **Policy** shall no longer cover **Shipments** made to the **Buyer** after that date.
3. Once a **First Limit** decision has been obtained (whether positive or negative), the **Insured** will not be permitted to use the **Discretionary Credit Limit** provisions for the same **Buyer**.



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Underwriter: xxxx  
Address: xxx  
Home Office:

## Trade Credit Policy Declarations

**Policy number:**

**Policy wording applicable to this  
Declarations:**

**Insured:**

Name  
Address

**Broker:**

Name  
Address

**Broker Commission:**

[ %]

**Description of Goods/Services Sold:**

**Policy Period:**

12 months from [ ] to [ ] both dates inclusive

**Policy Currency:**

United States Dollars (USD)

**Maximum Aggregate Limit of  
Liability:**

[ USD]

**Discretionary Credit Limit:**

[ USD]

**Maximum Discretionary Credit Limit Loss:  
Annual Aggregate Deductible:**

[ USD]

**Non Qualifying Loss Amount:**

[ USD]

**Insured Percentage:**

[ %] unless otherwise defined in Appendix A –  
Country Limits, in Appendix B – Credit Limits  
under Special Conditions

**Minimum Premium:**

[USD]

**Taxes:**

[USD]

**Credit Limit Fees:**

[USD]

**Waiting Period:**

Per the Policy wording "Definitions" Section

**Invoicing Period:**

[ ] days

**Contract Currency:**

[currencies]



**Maximum Terms of Payment:** [] days

**Maximum Extension Period:** [] days

**Credit Procedures:** As attached and hereby endorsed to the schedule

**Countries:** As listed in Appendix A

**Credit Limits:** As listed in Appendix B

**Third Countries:** [if applicable: As listed in Appendix C]

**Endorsements to the Declarations:**

**For the Company:** .....

Authorized Representative

.....

Date

**Acceptance by the Insured  
for and on behalf of itself  
and, where applicable, all  
Additional Named Insureds:**

By acceptance of this **Policy**, the **Insured** represents and warrants that the statements contained in the **Application** and in the Declarations are true and that the contents of the **Application**, the **Credit and Collections Questionnaire**, the Declarations and any **Endorsements** hereon comprise the entire agreement between the **Insured** and the **Company** or any of its agents relating to this insurance and, collectively, constitute the **Policy**.

Signed.....

Name (print).....

Position.....

Date.....



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Underwriter: xxxx  
Address: xxx  
Home Office:

## Trade Credit Policy Declarations

**Policy number:**

**Effective date of Declarations:**

These Declarations are effective from [insert date] and replace any previous Declarations

**Policy wording applicable to this Declarations:**

**Insured:**

Name  
Address

**Broker:**

Name  
Address

**Broker Commission:**

[ %]

**Description of Goods/Services Sold:**

**Policy Period:**

12 months from [ ] to [ ] both dates inclusive

**Policy Currency:**

United States Dollars (USD)

**Maximum Aggregate Limit of Liability:**

[ USD]

**Discretionary Credit Limit:**

[ USD]

**Maximum Discretionary Credit Limit Loss:  
Annual Aggregate Deductible:**

[ USD]

**Non Qualifying Loss Amount:**

[ USD]

**Insured Percentage:**

[ %] unless otherwise defined in Appendix A – Country Limits, in Appendix B – Credit Limits under Special Conditions

**Minimum Premium:**

[USD]

**Taxes:**

[USD]

**Credit Limit Fees:**

[USD]

**Waiting Period:**

Per the Policy wording “Definitions” Section





**Invoicing Period:** [] days

**Contract Currency:** [currencies]

**Maximum Terms of Payment:** [] days

**Maximum Extension Period:** [] days

**Credit Procedures:** As attached and hereby endorsed to the schedule

**Countries:** As listed in Appendix A

**Credit Limits:** As listed in Appendix B

**Third Countries:** [if applicable: As listed in Appendix C]

**Endorsements to the Declarations:**

**For the Company:** .....

Authorized Representative

.....

Date

**Acceptance by the Insured  
for and on behalf of itself  
and, where applicable, all  
Additional Named Insureds:**

By acceptance of this **Policy**, the **Insured** represents and warrants that the statements contained in the **Application** and in the Declarations are true and that the contents of the **Application**, the **Credit and Collections Questionnaire**, the Declarations and any **Endorsements** hereon comprise the entire agreement between the **Insured** and the **Company** or any of its agents relating to this insurance and, collectively, constitute the **Policy**.

Signed.....

Name (print).....

Position.....

Date.....



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## EXHIBIT A

### FORM OF PROOF OF LOSS

Pursuant to the terms of the Trade Credit Insurance policy issued by the **Underwriter**, policy no. [\_\_\_\_\_] ("**Policy**"), we, the undersigned **Insured**, do hereby provide the **Company** with a **Proof of Loss** in respect of the following items of **Loss**.

#### I. BACKGROUND

1. Claimant details			
Policy No.			
Policyholder name			
Indicate whether	Lead Insured	<input type="checkbox"/>	Joint Insured <input type="checkbox"/>
Address			
Contact Name		Position	
Email address			
Telephone No.		Fax No.	

2. Buyer details			
Company name			
Trading style			
National Identifier		VAT No.	
Registered Address (incl postcode)			
Trading Address (if different)			
Nexus ID			
2a. Justification for credit limit			
Nexus Approved credit limit		Discretionary credit limit (DCL)	
If credit limit was approved under DCL please provide details of how you justified the amount:			

2b. Trading terms	
Contractual Payment Terms	
Date Account First Opened	
2c. Method of Trading	
<input type="checkbox"/> - Open account <input type="checkbox"/> - Consignment Stock <input type="checkbox"/> - Letters of Credit <input type="checkbox"/> - Bill of Exchange <input type="checkbox"/> - Other	

If other, please give details:
For any disputed invoices please give details:

## II. COVERAGE

1. **Policy Period.** \_\_\_\_\_
2. **Date of Loss.** \_\_\_\_\_
3. Briefly describe the **Loss** circumstances and also specify whether an event of **Insolvency** or **Protracted Default** has occurred.

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#### 4. Details of claim

##### a. Security held

☐ - Retention of title    ☐ - Guarantee    ☐ - Set-off rights    ☐ - Lien    ☐ - Other

If yes to any security option please give details:

##### b. Actions taken to enforce security (please give details):

##### c. Recovery actions (please give details):



### III. CALCULATION OF LOSS AND COMPENSATION AMOUNT

1. Aggregate amount(s) of outstanding **Insured Contract(s)** invoice(s) comprising the **Loss** not in excess of the applicable **Credit Limit**. \_\_\_\_\_
- Less** \_\_\_\_\_
2. Any discount, allowance, offset or other credit to which the **Buyer** would be entitled \_\_\_\_\_
3. Any amount(s) received from any source as or towards the Insured Contract(s) \_\_\_\_\_
4. The aggregate invoice amount(s) of any Insured Contract(s) that were not shipped, completed, or otherwise in Dispute \_\_\_\_\_
5. The aggregate amount of any interest related charges accruing after the Maximum Extension Period \_\_\_\_\_
6. Aggregate amount(s) of any applicable sales, value added or comparable tax charges \_\_\_\_\_
7. The Deductible \_\_\_\_\_
8. TOTAL of 1 – 8 \_\_\_\_\_
9. Multiply Total by Insured Percentage: \_\_\_\_\_
- Total Claimed Compensation Amount:** \_\_\_\_\_



#### IV. DOCUMENTATION

Please attach copies of the following documents and any other material information you believe relevant to the **Loss** including correspondence, etc. Please indicate type(s) of document(s):

1. ☐ **Insured Contract(s)**
2. ☐ Copy of final statement
3. ☐ Copies of invoices
4. ☐ Proofs of delivery
5. ☐ Copies of written orders
6. ☐ Evidence or Notice of Insolvency
7. ☐ Correspondence to and from the **Buyer**, collection agent and/or counsel showing steps taken to effect collection and to mitigate the amount of the **Loss** (including payment plan)
8. ☐ Statement from the **Insured**, providing the latest information with respect to the **Buyer** and steps taken to effect collection or, alternatively, the **Insolvent** status of the **Buyer**
9. ☐ Evidence of non-payment and formal default notification inclusive of formal demands under any guaranty instrument and/or **Insolvency** (if applicable)
10. ☐ Evidence (if available) that debt has been accepted in the **Insolvent** estate of **Buyer**, or explanation why this is not available
11. ☐ Confirmation of Debt from Insolvency Practitioner
12. ☐ Copy of Proof of Debt as lodged with the Insolvency Practitioner
13. ☐ Debt details (attach in the format of Schedule 1 hereto the details of the underlying invoice(s) the subject of the **Loss**)
14. ☐ Trading history with the **Buyer** (attach in the format of Schedule 2 hereto the details of the twelve (12) month period preceding the initial unpaid invoice)
15. ☐ Any other information relevant to support the claims (please give details below):

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## V. WARRANTIES OF THE INSURED

1. We hereby warrant and certify that (i) all of the representations, warranties, and covenants listed in the **Policy** remain true and in effect; (ii) that, to the best of our knowledge, no exclusions listed in the **Policy** apply; (iii) that we have no reason to believe that there has been a violation of any of (i) or (ii) above; (iv) that we will continue our obligations under the **Policy**; and (v) that all information herein is true and correct.

2. We hereby warrant that we hold a valid and legally enforceable **Buyer** debt in the amount of

\$ \_\_\_\_\_.

3. We hereby warrant that we will submit additional information as requested by the **Company**.

4. We hereby warrant that we will execute a Release and Waiver Agreement in the form of Schedule 3 hereto upon payment of the claim of **Loss** submitted hereunder.

\_\_\_\_\_  
(Name of Insured)

Signature Sworn and Subscribed before  
me this \_\_\_\_th day \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Authorized Representative

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Date: \_\_\_\_\_



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**EXHIBIT A - SCHEDULE 1**

Debt details (use a continuation sheet if required)					
Currency:			Exchange rate (if applicable)		
Invoice No.	Invoice date	Due date	Net amount	VAT amount	Outstanding amount
	__/__/__	__/__/__			
	__/__/__	__/__/__			
	__/__/__	__/__/__			
	__/__/__	__/__/__			
	__/__/__	__/__/__			
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	__/__/__	__/__/__			
	__/__/__	__/__/__			
	__/__/__	__/__/__			
	__/__/__	__/__/__			
	__/__/__	__/__/__			
<b>Total Invoiced</b>					
Amount of any pre-shipment exposure (if applicable)					





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## EXHIBIT A - SCHEDULE 2

### Trading history with the Buyer (enter details for the 12 months prior to the first unpaid invoice)

This section must be completed. Enter the opening balance and include all transactions built up in chronological order including the outstanding part of the debt. If completed correctly the final balance will match the gross amount of your claim.

Month and year	Amount invoiced	Amount received	Credit notes	Month End Balance
Opening Balance				



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## EXHIBIT A - SCHEDULE 3

### RELEASE AND WAIVER AGREEMENT FORM

This Release and Waiver Agreement (the "**Agreement**") is dated this [ ] day of [ ] 20-- and made between:

- (1) [INSERT NAME OF UNDERWRITER] with offices located at \_\_\_\_\_ (the "**Underwriter**")
- (2) Nexus (the "**Company**") with offices located at \_\_\_\_\_, acting solely in its capacity as the authorized agent of the **Underwriter**; and
- (3) \_\_\_\_\_ with offices located at \_\_\_\_\_ (the "**Insured**").

Terms used in this Agreement are used as defined in the **Policy**.

**WHEREAS**, under Policy no. \_\_\_\_\_ (hereinafter the "**Policy**") made between the **Underwriter** and the **Insured**, the **Underwriter** agreed, subject to the terms and conditions of the **Policy**, to indemnify the **Insured** against **Loss(es)** incurred on account of \_\_\_\_\_ (the "**Buyer**").

**WHEREAS**, with respect to that certain executed **Proof of Loss** submitted by the **Insured** on \_\_\_\_\_, 20\_\_, the **Insured** has requested payment of a **Compensation Amount** as more fully set forth therein (the "**Claim**"). And, in respect of this **Claim**, the relevant **Waiting Period(s)** have expired.

**WHEREAS**, the total amount of the **Claim** is USD \$[\_\_\_\_\_].

**WHEREAS**, the **Insured Percentage** is \_\_\_\_%.

**WHEREAS**, the **Underwriter** accepts liability under the **Policy** for the **Claim** as further adjusted to reflect the **Insured Percentage** resulting in a **Compensation Amount** of USD \$[\_\_\_\_\_] and agrees to pay the **Insured** such **Compensation Amount**.

**WHEREAS**, the **Company**, **Underwriter** and the **Insured** wish to set out the terms of their **Agreement** in relation to the **Compensation Amount** payment under the **Policy**, the **Recoveries** and otherwise to preserve and/or enforce the rights and claims under or in connection with the **Policy**.

**NOW, THEREFORE**, in consideration of the mutual promises contained in this **Agreement**, for good and valuable consideration, the sufficiency and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. By [\_\_\_\_\_] [ ], 20\_\_, the **Underwriter** will pay the **Compensation Amount** by the following method of payment:  
[\_\_\_\_\_].

2. In consideration of the payment by the **Underwriter** of the **Compensation Amount**, the **Insured** hereby agrees that such payment is made in full and final settlement of any and all claims made or to be made relating to the **Claim** referenced hereinabove and hereby forever releases, acquits and discharges the **Underwriter** and its successors, assigns, predecessors, former, present and future



subsidiaries, affiliates, divisions, parent companies, holding companies, directors, officers, administrators, employees, agents, representatives, trustees in bankruptcy, run-off managers, liquidators and/or rehabilitators with respect to any demand, claim, or cause of action whatsoever concerning such **Compensation Amount** and the **Claim**.

3. The **Insured** agrees to carry out in consultation with, and subject to the agreement of the **Company**, all reasonable steps, acts and/or actions in [ ] and such other jurisdictions that its professional advisors recommend in order to protect the **Insured's** and the **Underwriter's** position and rights.

4. The **Insured** undertakes to assist the **Company** and **Underwriter** in any way as reasonably required in connection with recovery efforts, whether by proceedings or otherwise, in accordance with their continuing obligations under the **Policy** generally and under Section 7.7 ("Recoveries") in particular.

5. Any sums received by the Insured which are due to the **Underwriter** will be remitted to the **Company** as soon as possible and held in trust pending transfer of such funds.

6. The **Insured** will keep the **Company** fully informed concerning any **Recoveries** received by the **Insured** in connection with the sums owed by the **Buyer** to the **Insured** whether in connection with the underlying **Insured Contracts** or generally.

7. The **Insured** hereby confirms and warrants that no other party, company or entity has any interest, whether actual or contingent, in the **Policy**.

8. The **Insured** hereby confirms and warrants that it has no interest in any other policy of insurance covering the **Loss** which is the subject of the **Claim** and is not in a position to recover compensation for all or any part of such **Loss** from any other insurer.

9. This **Agreement** may be executed by way of three counterparts and as executed shall constitute an enforceable **Agreement**, binding on the parties. Together the counterparts shall constitute one and the same **Agreement**. The parties agree that this **Agreement** may be executed via delivery of electronic signatures, and that the delivery of such signatures shall have the same force and effect as the delivery of original, inked signatures.

Signed.....

Print name.....

For and on behalf of **Company**, solely in its capacity as managing general agent of the **Underwriter**

Signed .....

Print name: .....

For and on behalf of [ ]

Acknowledged and Accepted By:

Signed.....

Print name.....

For and on behalf of the **Underwriter**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **DISTRICT OF COLUMBIA AMENDATORY ENDORSEMENT**

This endorsement amends the insurance coverage provided under the following:

### **TRADE CREDIT INSURANCE AGREEMENT FORM**

**SECTION 8., GENERAL RIGHTS AND OBLIGATIONS OF INSURED, UNDERWRITER AND COMPANY,** paragraph 8.3, is deleted in its entirety and replaced with the following:

The **Company** or **Underwriter** may cancel this **Policy** by mailing or delivering to the first named **Insured** written notice of cancellation at least thirty (30) days before the effective date of cancellation. At least five (5) days before sending notice to the first named **Insured**, the **Company** or **Underwriter** will notify the agent or broker, if any, who wrote the **Policy**.

If this **Policy** has been in effect for thirty (30) days or less and is not a renewal of a **Policy** the **Underwriter** issued, the **Company** or **Underwriter** may cancel this **Policy** for any reason. If this **Policy** has been in effect more than thirty (30) days, or if this **Policy** is a renewal of a **Policy** the **Underwriter** issued, the **Company** or **Underwriter** may cancel this **Policy** only for one or more of the following reasons:

- a) The **Insured** has refused or failed to pay a premium due under the terms of the **Policy**;
- b) The **Insured** has made a material and willful misstatement or omission of fact to the **Company** or **Underwriter** or any of their respective employees, agents or brokers in connection with any application to or claim against the **Underwriter**;
- c) The **Insured** has transferred the **Insured's** property or other interest to a person other than the **Insured** or its beneficiary, unless the transfer is permitted under the terms of the **Policy**; or
- d) The property, interest or use of the property or interest has materially changed with respect to its insurability.

**SECTION 8., GENERAL RIGHTS AND OBLIGATIONS OF INSURED, UNDERWRITER AND COMPANY,** is amended by the addition of the following:

The following is added and supersedes any provision to the contrary:

The **Company** or **Underwriter** may elect not to renew this **Policy** by mailing or delivering written notice of nonrenewal to the first named **Insured's** last mailing address known to us. The **Company** or **Underwriter** will mail or deliver the notice at least thirty (30) days before the expiration of the **Policy**. At least five (5) days before sending notice to the first named **Insured**, the **Company** or **Underwriter** will notify the agent or broker, if any. If notice is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

All other terms, conditions, and exclusions of this policy shall remain unchanged.

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	United States Fire Insurance Company
<b>TOI/Sub-TOI:</b>	28.1 Credit-Credit Default/28.1000 Credit-Credit Default		
<b>Product Name:</b>	Trade Credit		
<b>Project Name/Number:</b>	Trade Credit/CF-TC-20-001		

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Actuarial Certification (P&C)
<b>Bypass Reason:</b>	Not applicable; new program form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Justification
<b>Bypass Reason:</b>	Not applicable; new program form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	All Rates and Rules
<b>Bypass Reason:</b>	Not applicable; new program form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Cover Letter
<b>Comments:</b>	Please refer to the below.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	Not applicable; new program form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	Not applicable; new program form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	United States Fire Insurance Company
<b>TOI/Sub-TOI:</b>	28.1 Credit-Credit Default/28.1000 Credit-Credit Default		
<b>Product Name:</b>	Trade Credit		
<b>Project Name/Number:</b>	Trade Credit/CF-TC-20-001		

<b>Satisfied - Item:</b>	Fraud Warning
<b>Comments:</b>	Please refer to the applications attached to the form schedule.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Manual Page(s)
<b>Bypass Reason:</b>	Not applicable; new program form filing.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Property and Casualty
<b>Comments:</b>	Understood; the company will comply.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Public Access
<b>Comments:</b>	Understood.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Readability Certificate
<b>Bypass Reason:</b>	Commercial forms.
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Letter of Authorization
<b>Comments:</b>	
<b>Attachment(s):</b>	2019-12-17_170708.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Cover Letter
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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	United States Fire Insurance Company
<b>TOI/Sub-TOI:</b>	28.1 Credit-Credit Default/28.1000 Credit-Credit Default		
<b>Product Name:</b>	Trade Credit		
<b>Project Name/Number:</b>	Trade Credit/CF-TC-20-001		

<b>Comments:</b>	Please refer to the attached cover letter.
<b>Attachment(s):</b>	Cover Letter Rates EXEMPT.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	



**CRUM & FORSTER®**

A FAIRFAX COMPANY

305 Madison Avenue, Morristown, NJ 07962

December 2, 2019

RE: UNITED STATES FIRE INSURANCE COMPANY  
NAIC # : 2113  
FEIN # : 13-5459190  
Letter of Authorization  
Filing of Forms, Rates and Rules

To whom it may concern:

In accordance with the applicable statutes and regulations of your state, Wesley Pohler, Sherri Penn, Erin Burke and Westmont Associates, Inc. are hereby authorized to file form, rate and rule filings on behalf of the Company for Trade Credit Insurance only.

Please direct all correspondence in relation to these filings directly to Mr. Wesley Pohler of Westmont Associates, Inc., 1763 Marlton Pike East, Suite 200, Cherry Hill, NJ 08003. Should you have any questions concerning these filings, please contact Mr. Pohler at (856) 216-0220, fax (856) 216-0303 or via e-mail at [wes@westmontlaw.com](mailto:wes@westmontlaw.com).

Thank you for your assistance in this matter.

Sincerely,

Lawrence Kwon  
Vice President





January 2, 2020

Department of Insurance  
Property and Casualty Division  
Form Review Section

**Re: United States Fire Insurance Company (NAIC #: 21113)**  
**Trade Credit Product**  
**Forms – Initial New Program Filing**  
**Company Filing Number: CF-TC-20-001-F**  
**Effective Date: On approval or earliest effective date**

To Whom It May Concern:

United States Fire Insurance Company ("USF") is submitting its initial Trade Credit filing for your review and approval. A letter permitting Westmont Associates, Inc. to file on USF's behalf is enclosed.

The intent of this submission is to introduce USF's new independent forms for its new Trade Credit Program.

The rates and rules to be used with the enclosed forms are EXEMPT from filing in your state.

If you have any questions regarding this submission, please do not hesitate to contact me at (856) 216-0220. Thank you for your attention to this matter.

Respectfully Submitted,  
**Wesley Pohler**  
Wesley Pohler  
Vice-President  
Westmont Associates, Inc.

Enc.

Cc: R. Pillay (USF)

SERFF Tracking #:

CRUM-132217216

State Tracking #:

Company Tracking #:

CF-TC-20-001-F

State:

District of Columbia

Filing Company:

United States Fire Insurance Company

TOI/Sub-TOI:

28.1 Credit-Credit Default/28.1000 Credit-Credit Default

Product Name:

Trade Credit

Project Name/Number:

Trade Credit/CF-TC-20-001

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
01/10/2020		Form	EXHIBIT A FORM OF PROOF OF LOSS	01/21/2020	EXHIBIT A - FORM OF PROOF OF LOSS (1)-RTW comments 1420 (1.9.2020 - EB Edits).pdf (Superseded)
01/10/2020		Form	EXHIBIT A - SCHEDULE 1	01/21/2020	EXHIBIT A - SCHEDULE 1.pdf (Superseded)
01/10/2020		Form	EXHIBIT A - SCHEDULE 2	01/21/2020	EXHIBIT A - SCHEDULE 2.pdf (Superseded)
01/10/2020		Form	EXHIBIT A - SCHEDULE 3	01/21/2020	EXHIBIT A - SCHEDULE 3.pdf (Superseded)



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## EXHIBIT A

### FORM OF PROOF OF LOSS

Pursuant to the terms of the Trade Credit Insurance policy issued by the **Underwriter**, policy no. [ ] (“**Policy**”), we, the undersigned **Insured**, do hereby provide the **Company** with a **Proof of Loss** in respect of the following items of **Loss**.

#### I. BACKGROUND

1. Claimant details				
Policy No.				
Policyholder name				
Indicate whether	Lead Insured		Joint Insured	
Address				
Contact Name		Position		
Email address				
Telephone No.		Fax No.		

2. Buyer details			
Company name			
Trading style			
National Identifier		VAT No.	
Registered Address (incl postcode)			
Trading Address (if different)			
Nexus ID			
2a. Justification for credit limit			
Nexus Approved credit limit		Discretionary credit limit (DCL)	
If credit limit was approved under DCL please provide details of how you justified the amount:			

## 2b. Trading terms

Contractual Payment Terms

Date Account First Opened

## 2c. Method of Trading

- ☐ - Open account   
 ☐ - Consignment Stock   
 ☐ - Letters of Credit   
 ☐ - Bill of Exchange  
☐ - Other

If other, please give details:

For any disputed invoices please give details:

## II. COVERAGE

1. **Policy Period.** \_\_\_\_\_
2. **Date of Loss.** \_\_\_\_\_
3. Briefly describe the **Loss** circumstances and also specify whether an event of **Insolvency** or **Protracted Default** has occurred.

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#### 4. Details of claim

##### a. Security held

☐ - Retention of title    ☐ - Guarantee    ☐ - Set-off rights    ☐ - Lien    ☐ - Other

If yes to any security option please give details:

##### b. Actions taken to enforce security (please give details):

##### c. Recovery actions (please give details):



### III. CALCULATION OF LOSS AND COMPENSATION AMOUNT

1. Aggregate amount(s) of outstanding **Insured Contract(s)** invoice(s) comprising the **Loss** not in excess of the applicable **Credit Limit**. \_\_\_\_\_
- Less** \_\_\_\_\_
2. Any discount, allowance, offset or other credit to which the **Buyer** would be entitled \_\_\_\_\_
3. Any amount(s) received from any source as or towards the Insured Contract(s) \_\_\_\_\_
4. The aggregate invoice amount(s) of any Insured Contract(s) that were not shipped, completed, or otherwise in Dispute \_\_\_\_\_
5. The aggregate amount of any interest related charges accruing after the Maximum Extension Period \_\_\_\_\_
6. Aggregate amount(s) of any applicable sales, value added or comparable tax charges \_\_\_\_\_
7. The Deductible \_\_\_\_\_
8. TOTAL of 1 – 8 \_\_\_\_\_
9. Multiply Total by Insured Percentage: \_\_\_\_\_
- Total Claimed Compensation Amount:** \_\_\_\_\_



#### IV. DOCUMENTATION

Please attach copies of the following documents and any other material information you believe relevant to the **Loss** including correspondence, etc. Please indicate type(s) of document(s):

1. ☐ **Insured Contract(s)**
2. ☐ Copy of final statement
3. ☐ Copies of invoices
4. ☐ Proofs of delivery
5. ☐ Copies of written orders
6. ☐ Evidence or Notice of Insolvency
7. ☐ Correspondence to and from the **Buyer**, collection agent and/or counsel showing steps taken to effect collection and to mitigate the amount of the **Loss** (including payment plan)
8. ☐ Statement from the **Insured**, providing the latest information with respect to the **Buyer** and steps taken to effect collection or, alternatively, the **Insolvent** status of the **Buyer**
9. ☐ Evidence of non-payment and formal default notification inclusive of formal demands under any guaranty instrument and/or **Insolvency** (if applicable)
10. ☐ Evidence (if available) that debt has been accepted in the **Insolvent** estate of **Buyer**, or explanation why this is not available
11. ☐ Confirmation of Debt from Insolvency Practitioner
12. ☐ Copy of Proof of Debt as lodged with the Insolvency Practitioner
13. ☐ Debt details (attach in the format of Schedule 1 hereto the details of the underlying invoice(s) the subject of the **Loss**)
14. ☐ Trading history with the **Buyer** (attach in the format of Schedule 2 hereto the details of the twelve (12) month period preceding the initial unpaid invoice)
15. ☐ Any other information relevant to support the claims (please give details below):

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## V. WARRANTIES OF THE INSURED

1. We hereby warrant and certify that (i) all of the representations, warranties, and covenants listed in the **Policy** remain true and in effect; (ii) that, to the best of our knowledge, no exclusions listed in the **Policy** apply; (iii) that we have no reason to believe that there has been a violation of any of (i) or (ii) above; (iv) that we will continue our obligations under the **Policy**; and (v) that all information herein is true and correct.

2. We hereby warrant that we hold a valid and legally enforceable **Buyer** debt in the amount of

\$ \_\_\_\_\_.

3. We hereby warrant that we will submit additional information as requested by the **Company**.

4. We hereby warrant that we will execute a Release and Waiver Agreement in the form of Schedule 3 hereto upon payment of the claim of **Loss** submitted hereunder.

\_\_\_\_\_  
(Name of Insured)

Signature Sworn and Subscribed before  
me this \_\_\_\_th day \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Authorized Representative

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Date: \_\_\_\_\_



**EXHIBIT A - SCHEDULE 1**[illegible]



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## EXHIBIT A - SCHEDULE 2

### Trading history with the Buyer (enter details for the 12 months prior to the first unpaid invoice)

This section must be completed. Enter the opening balance and include all transactions built up in chronological order including the outstanding part of the debt. If completed correctly the final balance will match the gross amount of your claim.

Month and year	Amount invoiced	Amount received	Credit notes	Month End Balance
Opening Balance				



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## EXHIBIT A - SCHEDULE 3

### RELEASE AND WAIVER AGREEMENT FORM

This Release and Waiver Agreement (the "**Agreement**") is dated this [ ] day of [ ] 20-- and made between:

- (1) [INSERT NAME OF UNDERWRITER] with offices located at \_\_\_\_\_ (the "**Underwriter**")
- (2) Nexus (the "**Company**") with offices located at \_\_\_\_\_, acting solely in its capacity as the authorized agent of the **Underwriter**; and
- (3) \_\_\_\_\_ with offices located at \_\_\_\_\_ (the "**Insured**").

Terms used in this Agreement are used as defined in the **Policy**.

**WHEREAS**, under Policy no. \_\_\_\_\_ (hereinafter the "**Policy**") made between the **Underwriter** and the **Insured**, the **Underwriter** agreed, subject to the terms and conditions of the **Policy**, to indemnify the **Insured** against **Loss(es)** incurred on account of \_\_\_\_\_ (the "**Buyer**").

**WHEREAS**, with respect to that certain executed **Proof of Loss** submitted by the **Insured** on \_\_\_\_\_, 20\_\_, the **Insured** has requested payment of a **Compensation Amount** as more fully set forth therein (the "**Claim**"). And, in respect of this **Claim**, the relevant **Waiting Period(s)** have expired.

**WHEREAS**, the total amount of the **Claim** is USD \$[\_\_\_\_\_].

**WHEREAS**, the **Insured Percentage** is \_\_\_\_%.

**WHEREAS**, the **Underwriter** accepts liability under the **Policy** for the **Claim** as further adjusted to reflect the **Insured Percentage** resulting in a **Compensation Amount** of USD \$[\_\_\_\_\_] and agrees to pay the **Insured** such **Compensation Amount**.

**WHEREAS**, the **Company**, **Underwriter** and the **Insured** wish to set out the terms of their **Agreement** in relation to the **Compensation Amount** payment under the **Policy**, the **Recoveries** and otherwise to preserve and/or enforce the rights and claims under or in connection with the **Policy**.

**NOW, THEREFORE**, in consideration of the mutual promises contained in this **Agreement**, for good and valuable consideration, the sufficiency and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. By [\_\_\_\_\_] [ ], 20\_\_, the **Underwriter** will pay the **Compensation Amount** by the following method of payment:  
[\_\_\_\_\_].

2. In consideration of the payment by the **Underwriter** of the **Compensation Amount**, the **Insured** hereby agrees that such payment is made in full and final settlement of any and all claims made or to be made relating to the **Claim** referenced hereinabove and hereby forever releases, acquits and discharges the **Underwriter** and its successors, assigns, predecessors, former, present and future



subsidiaries, affiliates, divisions, parent companies, holding companies, directors, officers, administrators, employees, agents, representatives, trustees in bankruptcy, run-off managers, liquidators and/or rehabilitators with respect to any demand, claim, or cause of action whatsoever concerning such **Compensation Amount** and the **Claim**.

3. The **Insured** agrees to carry out in consultation with, and subject to the agreement of the **Company**, all reasonable steps, acts and/or actions in [ ] and such other jurisdictions that its professional advisors recommend in order to protect the **Insured's** and the **Underwriter's** position and rights.

4. The **Insured** undertakes to assist the **Company** and **Underwriter** in any way as reasonably required in connection with recovery efforts, whether by proceedings or otherwise, in accordance with their continuing obligations under the **Policy** generally and under Section 7.7 ("Recoveries") in particular.

5. Any sums received by the **Insured** which are due to the **Underwriter** will be remitted to the **Company** as soon as possible and held in trust pending transfer of such funds.

6. The **Insured** will keep the **Company** fully informed concerning any **Recoveries** received by the **Insured** in connection with the sums owed by the **Buyer** to the **Insured** whether in connection with the underlying **Insured Contracts** or generally.

7. The **Insured** hereby confirms and warrants that no other party, company or entity has any interest, whether actual or contingent, in the **Policy**.

8. The **Insured** hereby confirms and warrants that it has no interest in any other policy of insurance covering the **Loss** which is the subject of the **Claim** and is not in a position to recover compensation for all or any part of such **Loss** from any other insurer.

9. This **Agreement** may be executed by way of three counterparts and as executed shall constitute an enforceable **Agreement**, binding on the parties. Together the counterparts shall constitute one and the same **Agreement**. The parties agree that this **Agreement** may be executed via delivery of electronic signatures, and that the delivery of such signatures shall have the same force and effect as the delivery of original, inked signatures.

Signed.....

Print name.....

For and on behalf of **Company**, solely in its capacity as managing general agent of the **Underwriter**

Signed .....

Print name: .....

For and on behalf of [ ]

Acknowledged and Accepted By:

Signed.....

Print name.....

For and on behalf of the **Underwriter**